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What makes Liverpool run


NEWS SUMMARY

GENERAL

Man charged in London killing

Dennis Andrew Nilson, 37, a civil servant, was last night charged with murdering Stephen Sinclair "on or about February 1" in Muswell Hill, north London.

The charge followed the finding of the remains of three chopped-up bodies. Police investigations are continuing at a house in nearby Kilburn.

The accused man worked on the employment transfer scheme, arranging grants for people seeking work to move around the country.

Sharon quits

Israeli Defence Minister Ariel Sharon resigned but said he wanted to stay in the cabinet, probably as a minister without portfolio. Back Page

Publishers guilty

Daily Star and Sunday Times publishers were found guilty by the High Court of contempt in pre-trial reports on Palace intruder Michael Fagan.

Labour loses

The Law Lords rejected the Labour Party's attempt to block boundary changes it fears will cost it 30 parliamentary seats. Page 3

Mercenary hopes

Seven British mercenaries jailed in Angola since 1976 could be released this year, Angolan Foreign Minister Paulo Teixeira Jorge said in London.

Shergar 'hoaxes'

Police hunting kidnapped racehorse Shergar believe telephone calls demanding a £40,000 ransome and claiming the horse was dead were made by hoaxers.

Laker reprieve

Spanish hoteliers lifted their threatened boycott against Sir Freddie Laker's new Skytrain Holidays company.

Nigerian warning

Nigeria said it gava advance warning to countries affected by its expulsion of 2m aliens.

Ice-cream killing

Ice-cream salesman Michela Indelicato was jailed for life for shooting dead rival salesman Angelo Ciralo at Woverhampton.

Bandit queen

Indian bandit queen Phoolan Devi, 27, will surrender in public today. "Dasyu Sundari" (the beautiful bandit) is wanted for murder, robbery and abetting rape.

Capitol chill

Near-blizzard conditions in Washington closed the U.S. government. All but essential employees were sent home in the morning. Weather, Back

Briefly . . .

Peter Tatchell (Lab) is 2-9 favourite in the Bermondsey by-election.

112 died in South African police custody last year.

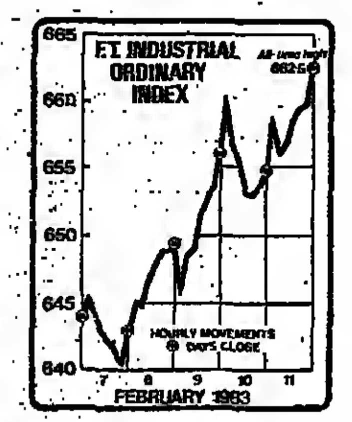
Bus hit a truck north of Athens, killing 15.

BUSINESS

Ports sell-off draws £740m

● ASSOCIATED BRITISH Ports share offer has been 34 times oversubscribed by the public. The Government put up 49 per cent of the shares with an official price tag of £22m and would-be investors have put up almost £740m. Back Page

● EQUITIES closed at a record high for the fourth successive week. The FT Industrial



Ordinary index closed 7.7 up at 662.5. The FT Actuaries All-Share index closed 1.1 per cent up at 413.08. Page 24

● GILTS improved, with longs gaining ¼ while shorts closed little changed. Page 24

● DOLLAR fell to DM 2.4025 (DM 2.4115), SwFr 2.0025 (SwFr 2.011), FFr 6.8125 (FFr 6.833) and Y234.25 (Y235.1). Its trade-weighted index was 119.1 (119.5). Page 21

● STERLING was unchanged at $1.545, but fell to DM 3.7125 (DM 3.7275), SwFr 3.0925 (SwFr 3.11), FFr 10.525 (FFr 10.555) and Y362 (Y363.5). Its trade-weighted index was 80.9 (81). Page 21

● GOLD rose $7 to $503 in London. In New York the Comex February settlement was 504.1 (503.6). Page 21

● WALL STREET was down 3.02 to 1,084.73 near the close. Page 20

● U.S. producer prices fell by a record 1 per cent in January, the steepest monthly decline since 1947. Page 2

● FRANCE lost 2.25m working days through strikes last year, a 51 per cent increase.

● JAPANESE imports captured a record 25 per cent of the Canadian car market last year, European imports only 6.4 per cent.

● STANDARD OIL of Indiana is understood to be close to agreeing the sale of its Italian subsidiary, Amoco Italia. Page 23

● CARRINGTON - VIYELLA chairman Bill Fieldhouse has been replaced by Vantona chairman Sir James Spooner. Page 3

● HMSO earned a return on capital comfortably above Treasury objectives in 1981-82 despite having to compete for orders from Government departments.

● ROBERT M. DOUGLAS Holdings, Birmingham civil engineer, builder and contractor, fell into loss for the first time. Pre-tax losses for the half-year to September 1982 were £96,000. Page 18

CHIEF PRICE CHANGES YESTERDAY

(Prices in pence unless otherwise indicated)

RISES		
Treas. 11¾pc 1989	£99¼	+ 1
Excheq. 12pc '13-17	£110¼	+ 1
Assoc. Dairies	160	+ 5
Austin (E.)	57	+ 6
Barratt Devpts.	492	+ 10
Bluemel Bros.	26	+ 4
Bowater	180	+ 8
Exco Int.	610	+ 45
Fine Arts Devpts.	36	+ 5
Kennedy Brookes	190	+ 12
Nrthrn. Goldsmiths	164	+ 30
Nova (Jersey)	91	+ 9
Pifco	213	+ 18
Pleasurama	470	+ 25
Reed Intl.	282	+ 10
Tate and Lyle	284	+ 7
Trust Securities	91	+ 13
Woolworth	206	+ 8
BP	324	+ 10
RCA Intl.	67	+ 20
Ultramar	523	+ 20
CRA	245	+ 12
Central Norseman	633	+ 40
De Beers Dfd.	515	+ 13
Driefontein	£24¾	+ 1¼
Enterprise	37	+ 6
Gencor	£19	+ ¾
Gold Mines Kalgoor.	780	+ 75
Hartebeest	£56⅞	+ 1⅞
Kloof Gold	£34¼	+ 1¼
MIM	264	+ 20
Randfontein	£95¾	+ 2¾
Rostenburg Plat.	460	+ 20
Samantha Explor.	41	+ 10
Vaal Reefs	£81¾	+ 2¾
Western Mining	246	+ 11
FALLS		
Treas. 2½pc IL 2016	£25¾	− ¼
Automated Security	453	− 15
Douglas (R. M.)	70	− 5
Trident TV A	75	− 5

IMF subscriptions to rise by 47.5%

BY MAX WILKINSON AND ANATOLE KALETSKY

THE WORLD'S financial leaders reached a compromise agreement yesterday to raise the subscriptions to the International Monetary Fund by $31bn after a tough late-night bargaining session in Washington on Thursday.

This was achieved after anxieties that the deal would be effectively vetoed by a group of Third World countries holding out for a much bigger increase.

The eventual compromise, at a dinner party after the formal session of the Fund's interim committee, was for a 47.5 per cent increase in quota subscriptions, the amount each member subscribes to the Fund to SDR 90bn ($98.5bn) from SDR 61bn.

This is the same minimum most countries thought adequate to contain the threat of a worsening debt crisis among Third World countries, and to bolster international banking confidence.

It was a compromise between an unexpectedly tough stand by *the U.S. on a maximum* increase to SDR 85bn, and the belief of many other countries that a new total of SDR 100bn was the minimum needed.

The increase was agreed against the background of persistent anxiety about the world economy.

The communique at the end of the meeting expressed "anxiety at the high level of unemployment and the weakness of investment and world trade, against the background of only limited indications economic recovery."

It said that forecasts for growth and inflation had been downgraded since the autumn.

Yesterday's increase follows an earlier decision to extend the 10 richest nations' General Arrangements to Borrow from SDR 6.4bn to SDR 17bn. This extra money will be channelled through the fund for use of all members, instead of only the Group of Ten.

Not all this extra money will be available for lending to countries with debt or balance of payments problems, since only about half the quotas are in hard currencies available for lending.

Altogether it is estimated that the usable resources of the fund will have increased by 80 per cent, or about SDR 26bn ($28bn) by the end of this year, when it is hoped member-Governments will have ratified the increases.

This timetable would be two years in advance of that envisaged at the last interim committee meeting in Helsinki in March 1982.

Saudi Arabia has agreed to provide a further loan of between $3bn to $4bn to the Fund with $1.5bn to $2bn in a parallel arrangement with the GAB, although the exact figures had not been confirmed yesterday.

M Jacques de Larosière, the fund's managing director, said yesterday that the IMF's usable resources would be about doubled when the Saudi contribution in parallel to the GAB was included.

The increase in quotas will not automatically mean that large debtor countries like Mexico and Argentina can apply for increased fund support.

At present members can be given assistance of up to 450 per cent of their quota. It was agreed yesterday that there should be further discussions by the Fund's executive board about reducing this figure.

It was also agreed to change the relative size of member subscriptions, and voting power to bring them more into line with their economic importance.

The UK's position will be slightly downgraded, though it will retain its position as largest subscriber after the U.S.

UK inflation rate drops to lowest level since 1969

BY ROBIN PAULEY

THE ANNUAL inflation rate fell to 4.9 per cent in January, *once again beating ministers'* most optimistic hopes and reaching its lowest level since September 1969.

The January figure compares with 5.4 per cent in December and 12 per cent in January last year. It is much lower than the Government or any other forecasters had predicted, largely because of persistently low commodity prices, moderated wage claims and very low profit margins enforced by the depth of the domestic and world recessions.

In the Budget last March, the Government forecast 9 per cent inflation for the final three months of last year and as recently as the end of October Sir Geoffrey Howe, the Chancellor, was still talking in terms of it being this spring before a rate of 5 per cent was reached.

The retail price index for January was 325.9 (1974=100), an increase of 0.1 per cent on December's 325.5 and a rise of 4.9 per cent over the figure for January last year (310.6).

The rise this January was due principally to higher prices for cars, alcoholic drinks (which had registered an unexpected fall in December), and British Rail fares (up by 7 per cent on January 9).

This was countered by the last feed-in of the lower mortgage interest rates and by lower petrol prices, which fell by about 3p a gallon during January. Prices for clothes and household goods also fell in the January sales.

But the downward track of the inflation rate *may be* nearing its end just as Britain gets within striking distance of one of its major competitors—West Germany, which had an inflation rate of 4.6 per cent in December and 3.9 per cent in January.

Petrol has risen in price this month with cigarettes, some foods and those items temporarily reduced for last month's sales. Brokers James Capel said last night that inflation could be up to 7½ per cent by the end of the year, although it could reach a low of 4.2 per cent in May.

Mr Norman Tebbitt, Employment Secretary, said yesterday the inflation struggle would be tougher and "the path of inflation will become a little bumpier later this year."

West Germany, however, faces the same problems and Dr Karl-Otto Poebl, president of the Bundesbank, said in Washington yesterday that the planned rise in West German value added tax later this year could add ½ to ¾ of a percentage point to the West German rate.

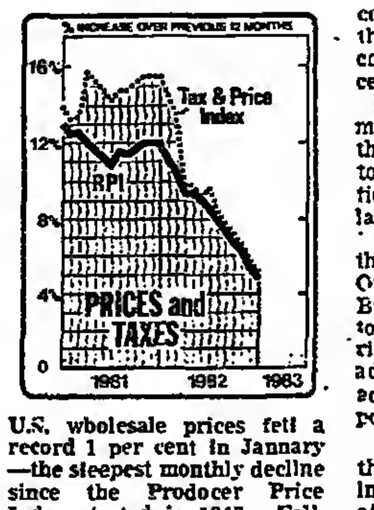
During the last 12 months there has been a dramatic fall in the price of seasonal foods of nearly 11 per cent. Overall food prices have risen by just under 2 per cent in the last year, the same low increase as for clothing and footwear.

The other side of the inflation picture, however, is to be seen in the nationalised industries which, in spite of some recent price pegging, still have the worst inflation record of any segment of the economy. They have raised their prices by 14.1 per cent in the last 12 months.

The tax and price index, which measures the gross earnings needed to keep pace with tax and price rises, increased by 5.2 per cent in the 12 months to January. This compares with an annual rate of 5.8 per cent in December. This index now stands at 170.7 (1978=100).

Peter Riddell writes: The

Continued on Back Page



U.S. wholesale prices fell a record 1 per cent in January—the steepest monthly decline since the Producer Price Index started in 1947. Falling energy prices helped the trend which pushed U.S. inflation last year to its lowest annual level for a decade. Page 2

Building societies' receipts fall sharply

BY MICHAEL CASSELL AND JEREMY STONE

THE building societies yesterday reported a big drop in new savings and warned that they could soon be forced to ration mortgage funds, unless competing interest rates begin to fall.

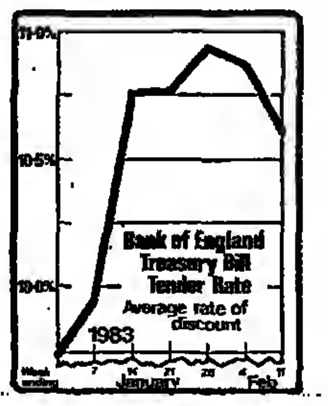
The warning came from Mr Richard Weir, secretary-general of the Building Societies Association, who said the societies were not attracting sufficient funds to meet demand from home buyers.

Some of that demand came from bank customers who were disappointed by the bank's "change of attitude to mortgage lending."

There are, however, signs that interest rate pressures on the societies may soon begin to lessen. Slightly easier money market conditions are seen as the prelude to a possible fall in clearing bank base rates.

Mr Weir said the societies were running down their liquid funds to support high mortgage lending levels. Without a significant cut in competing interest rates, they would be under increasing pressure to ration funds to help as many borrowers as possible.

The societies are anxious to *dispel fears* of a return to lengthy mortgage queues involving thousands of unsatisfied customers. They emphasise that current lending is at very high levels.



Home buyers borrowed £1.42bn in January, the lowest figure since September, but the fifth highest on record. A further £1.49bn was promised to mortgage applicants.

Recent increases in competing interest rates have, however, had a marked impact on receipts and many societies are having to review their projected lending programes.

Last month, the societies recorded net receipts of £391m, against £490m in December. This was the lowest monthly total since March 1982 and very little improvement is expected this month.

A fall of 0.27 percentage

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Acrow wins bank support

BY RAY MAUGHAN

ACROW, the cranes, excavation equipment and bridge construction specialist, has concluded negotiations with a dozen UK and overseas banks which set up "a framework to provide continuity of finance for the future."

The agreement is similar to the recent debt rescheduling by Turner & Newall, the asbestos materials and construction products group, in that the banks have pledged to provide continued support in return for taking a charge over the group's assets. There is no change in the level of their loan facilities.

Mr Colin Daniels, Acrow finance director, explained yesterday that he had been unable to call on shareholders for additional equity finance because of the group's capital structure. This gives votes to only £400,000 of the ordinary capital while £15m of the equity is not enfranchised. There are no immediate plans for enfranchisement.

The leading British bank in the agreement is Barclays. Other UK clearers involved are Williams & Glyn's, Midland and Lloyds. The rescheduling has been organised by Mr Stan Carslake, head of Barclays' "intensive care unit" for corporate customers.

The agreement has been reached with Acrow's debenture and loan stock holders. The deal means in effect that the banks have a floating charge over all the group's assets.

Talks have been going on since November. Acrow, previously determined to holds its market share through the recession whatever the effect on margins and profitability, decided that the brief revival in order levels last summer would not last and further rationalisation was necessary.

Borrowings are about £55m, some 100 per cent of shareholders' funds. Some 750 redundancies have been announced since the end of March last year, principally involving the concentration of

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Rank Xerox pledges to protect purchasing power of pensions

BY ERIC SHORT

RANK XEROX, the office equipment manufacturer, has become the first major quoted company to give a public assurance to its employees that their pensions will be index-linked to the inflation rate.

The index-linking will apply to current pensioners and to current pensioners and to people retiring from Rank Xerox, as well as to deferred penions of people who leave before retirement age.

Announcing the scheme yesterday, Mr Hamish Orr-Ewing, chairman of Rank Xerox, stressed that it would not be guaranteed in all circumstances, if, for example, there were a period of "hyper-inflation."

The £170m Rank Xerox pension fund has 9,000 contributors, 2,500 pensioners and 2,000 deferred pensioners on its books.

Such index-linking of pensions is standard practice in public service schemes, but rare in the private sector.

The Government-commissioned Scott Report on indexation in the public sector published a year ago, recommended that private-sector pensions should try to index-link.

The latest report from the Occupational Pensions Board, which advises the Government, recommend that pensions, both in payment and deferred, be revalued to maintain their value.

A few major funds review pensions annually, and make substantial increases at or near the movement in the Retail Price Index. They include Imperial Group and Unilever.

But they maintain a low profile outside their own membership, and have not given such a specific commitment as that by Rank Xerox.

The company has in the past revalued pensions in payment on an ad hoc basis, and has maintained their purchasing power in all but two of the past 11 years.

Deferred pensions have been increased at 5 per cent a year. Under previous funding arrangements the company has had to top up the pension scheme by over £3m.

Since the latest three-yearly actuarial valuation, a good investment performance and favourable age structure of the workforce has resulted in the pension fund being considered financially strong enough to support these pension increases without need of support from the company.

In addition the company's contribution has been reduced from 20½ per cent to 19 per cent. Members' contribution remains at 5 per cent.

The need was, Mr Orr-Ewing said, to ensure that no-one had fears about the purchasing power of their pensions in the present uncertain economic environment.

£ in New York

	Feb. 10	Previous
Spot	$1.5475-5480	$1.5435-5445
1 month	0.30-0.25 dis	0.27-0.22 dis
3 months	0.70-0.65 dis	0.64-0.59 dis
12 months	1.25-1.10 dis	1.15-1.00 dis

CONTENTS

For latest Share Index phone 01-246 8026

Opec rift deepened by price cut resistance

BY ROGER MATTHEWS AND MICHAEL HOLMAN

THE BATTLE lines within the Organisation of Petroleum-Exporting Countries (Opec) were drawn more sharply yesterday, with Venezuela and Iran hotb opposing Saudi Arahia's call for e cut in the reference price of $34 a barrel.

Mr Abas Honardost, the Iranian Deputy Oil Minister, said Opec members would gain no advantage by reducing their prices. "We are going to continue to support Venezuela and the others which want to keep firm the oil market price of $34."

Sr Humberto Calderon Berti, the Venezuelan Oil Minister, denied Saudi Arahia's claim that a price cut would stimulate demand for oil. He said that the suggested cut wonld have only e marginal effect and that Opec should aim to resolve the argumenls over differentials, whicb had been partly responsible for the failure of the Opec meeting in Geneva last month.

However, a senior Gulf diplumat said in London yesterday that the old yardsticks of supply and demand were now irrelevant to the price of oil. "Oil has become an arm of war. The logic of war prevails over the logic of economics," he said.

This was a reference to Iran's vigorous undercutling of Opec's agreed prices in order to finance its war against Iraq, and its attempt to hreak the dominant influence of Saudi Arabia within the organisation.

Sheikh Ahmed Zaki Yamani, the Seudi Oil Mioister, said in an interview yesterday that tbe kingdom had lost patience with Opec members who acted only in their own short-term interests. Saudi Arabia would no longer defend the $34 benchmark and, he thought, e fall in price was inevitahle.

Nigerian oil prooduction this month might average a little more than 700,000 barrels a day (b/d) if the current level of liftings were to be maintained, industry officials in Lagos said last night. If so, February would be lhe second successive month in which output had fallen. January production is put at 800,000 b/d down from 1.2m b/d in December.

Mallam Yahaya Dikko, oil adviser to President Shehu Shagari and the Opec president, has been in London this week for the last of a series of meetings with oil companies io the U.S. and Europe, during which he has been reviewing Nigeria's long-term strategy.

If the British National Oil Corporation (BNOC) were to reduce the price of North Sea oil, as expected, Nigeria would come under intense pressure to cut tbe price of its oil.

Libya has been sounding out Opec members this week about another meeting to resolve their differences, according to Sr Gustavo Galindo, the Ecuadorian Oil Minister.

Ecuador insisted yesterday that it had not yielded to pressure from customers to cut prices and break ranks with Opec.

Sr Humberto Calderón

Kyprianou tipped to retain Cyprus presidency

BY HADJI PAPAS IN NICOSIA

SOME 328,000 Cypriots go to the polls tomorrow to choose a Preseident and mos tobservers agree there is little doubt the incumbent head of state, Mr Spyros Kpyrianou, will be elected to a new five year term.

According to an opinioo poll conducted recently, President Kyprianou, 50, is expected to win about 54 per cent of the votes, the majority of them from the powerful Communist Party Akel.

His main rival, right-wing politician and former acting president, Mr Glafkos Clerides, 63, is tipped to poll about 34 per cent. The third candidate, Dr Vassos Lyssarides, 62, the Socialist party leader is expected to gain about 12 per cent.

Mr Kyprianou needs 50 per cent plus one vote to avoid a second-round confrontation with his nearest challenger. Most observers believe he will win outright.

Mr Kyprianou's centre-right Democratic Party (DIKO) formed an electoral alliance with Akel last April, which strained his relations with Greece's Socialist Premier, Mr Andreas Papandreou, but which assured him another term in office.

Under this pact, Mr Kyprianou pledged to cootinue talks with the Turkish Cypriots for a peace settlemeot aloog the lines of a federal Cyprus republic, even though the eight-year-old negotiations have not made any progress so far.

Both Mr Clerides and Dr Lyssarides support the position of Mr Papandreou who says it is futile to continue with intercommunal talks. They argue the talks cannot produce results as long as Turkish troops which invaded Cyprus in 1974 continue to occupy 37 per cent of the island.

President Kyprianou has stressed in his campaign that Greek Cypriots have enjoyed economic prosperity and stability during the past five years of his administration.

Mr Clerides has argued that Mr Kyprianou has become a virtual prisoner of the Communists, and that the election of a Cyprus President with the help of Communist votes would anger the West and discourage the U.S. from taking any effective action to force Turkey to withdraw its troops

Poll test for S. African right wing in Transvaal

By J. D. F. Jones in Johannesburg

THE streogth of South Africa's right-wing Conservative Party, which hroke away from the ruling National Party last year in protest against the reform of apartheid, is to he tested in three simultaneous by-elections in the Transvaal.

This is the result of an apparently unplanned challenge issued in Parliamentary debate this week hy Mr Fanie Botha, Minister of Manpower, leader of the House and one of the most powerful aod committed reformists in the government.

He offered to resign his seat in the northern Transvaal and submit the Government's policies to the test of a by-election on condition that the leader of the Conservative Party, the former cabinet minister Dr Andries Treurnicht, did the same

Provided that simultaneous resignatioos can be organised, the result will be a tesl of the electorate's attitude towards Government reform and right-wing opposition. It could seltle the fate of the Conservative Party or, alternatively, prove a devaslating setback for the Government.

However, if the extreme right-wing Herstigte Nasionale Party (HNP) fields candidates, it could critically divide the right-wing vote and ensure victory for tbe Government.

Dr Treurnicht's Conservative Party has receotly been talking with the HNP about an electoral alliance, though withoul apparent success. But the HNP can now expect to come under renewed persuasion to staod aside

There will be by-elections before late April:

- In Dr Treurnicht's constitueocy of Waterberg, in the bushveld farms of north-eastern Transvaal where Dr Treurnicht as a National Party MP beld the seat in 1981 against the leader of the HNP, Mr Jaap Marais.
- In Mr Fanie Botha's constituency of Soutpansberg, in the far north, where he will be challenged by Dr Treurnicht's first lieutenant, Mr Tom Langley.
- In the Preloria constituency of Waterkloof, which Mr Langley won in 1981 on a National Party ticket. He is resigning to fight Mr Botha in Soutpansberg.

Mr Allan MacEachen

Canada signs arms testing pact

BY JIM RUSK IN OTTAWA

CANADA has signed a five-year agreement with the U.S. oo weapons testing that could lead to the Cruise missile guided system heing tested over Canadian territory. Testing of weapons systems which could include artillery, belicoplers and advaoced non-nuclear munitioos as well as the Cruise missile would be subject to sub-agreements.

Mr Allan MacEachen, Canadian External Affairs Minister announced that the agreement had heen signed in Washington on Thursday, and lioked the proposed testiog of Cruise to progress at the Geneva arms control negotiations.

Mr MacEachen did not rule out the possibility of Canada vetoing Cruise missile testiog over its territory if it felt that Washington was not doing eoough to ensure success in the talks.

Opposition to testing the missile in Canada has been growing. A recent poll indicated that 52 per cent of Canadians are against the proposal. Anti-testing groups now plan to use the sub-agreemeot negotiating period to step up their protests, which have included demonstrations in front of Parliament and at the Toronto offices of the governing Liberal party.

At Caoada's insistence, the umbrella agreement includes a clause specifying that missiles would he unarmed. The Pentagon wants to test the missiles al a large Canadian forces weapons testing range in western Canada. The terrain is similar to that in the western part of lhe Soviet Union, and cold-weather tests would be possible.

FitzGerald under pressure over abortion amendment

BY BRENDAN KEENAN IN DUBLIN

IRISH POLITICS may be dominated in the next few weeks by the footwork of Dr Garret FitzGerald, tbe Prime Minister, tryiog to evoid the consequences of a proposed amendment lo the coostitution, whicb would ban abortion.

The issue is especially serious for Dr FitzGerald. He has made reform of the Irish constitution a key plank in bis Northern Ireland policy, claiming that it has a pro-Catholic bias which impedes political progress.

But the amendmenl, which he promised to supporl, is promoted by a mainly Roman Catholic pressure group, aod has been opposed in an unusually forthright manner hy the maln Protestant churches.

If Dr FitzGerald were to fail to find a way out, bis efforts to change the constitutioo would retain little credibility witb Ulster Unionisls or the British. "The amendement belies Dr FitzGerald's commitment," said Rev Desmond Gilliland, a leading Methodist clergyman here. "It will now be much barder to secularise this state."

Abortion is illegal in the Republic, under an act similar to that which applied in Britain before 1967. But many Irish laws have been overturned by an interventionist Supreme Court. The amendment is intended to prevent any overturn of the abortion laws,

Belgium ends delay over purchase of F-16s

BY GILES MERRITT IN BRUSSELS

THE DOUBTS which have surrounded the Belgian government's commitment to buy a new generation of F-16 fighter aircraft from Geoeral Dynamics Corporation of the U.S. have been dispelled by an official announcement in Brussels that the contract now has the go-ahead.

Belgium's delay over the past year in signing the BFrs 42bn (£568m) deal for 44 aircraft with tbe U.S. has stemmed from internal rivalries over where the promised 46 per cent Belgian content of the F-16 programme should he produced.

The long-established Belgian aerospace industry is in the southern, francophone region of Wallonia, hut there bas been strong pressure from the northern, Flemish-speaking region of Flanders for a greater proportion of the work to be placed with the companies grouped in lhe region's comparatively new Flemish Aerospace Group—a consortium known as Flag, whicb is seeking a big redistribution of all aircraft production work in Belgium.

The impasse over the F-16 sub-contracts has been resolved with an agreement that the Flag companies should receive a substantial proportion of the work.

- More than 200 European trade union leaders are to attend e meeting in Brussels next month, whicb will run parallel to the European Council meeting of EEC heads of governmeot on March 21 and 22. This will be to draw ettention to the worsening unemployment in the EEC, and was decided here yesterday during a one-day demonstration by more than 4,000 activists.

Tension in Spain over Moroccan land claim

By David White in Madrid

Spain's socialist Government is doing its best to pacify angry reactions to the build-np of pressure behind Morocco's claims to Ceuta and Melilla, the Spanish enclave towns in North Africa.

Sr Felipe Gonzalez, the Prime Minister, appealed to Spaniards to keep calm after a motion backing Morocco was unanimously approved by a 14-nation meeting of Arab parliamentarians in Rabat.

The motion calls on Spain to negotiate immediately on handing over the two towns

The issue, a highly sensitive one among the Spanish military, is directly linked by Morocco to Spain's claim to sovereignty nver Gibraltar.

Dispute over NY subway cars ends

THE bitter trade dispute nver New York's purchase of Canadian-built subway cars has come to an end following an undertaking by the City's metropolitan transportation anthority (MTA) not to buy any more foreign built rail cars for a period of three years, Richard Lambert reports from New York.

In return, a group of trade unions has agreed to withdraw e petition witb the U.S. trade authorities which could have led to tbe imposition of substantial countervailing duties on the MTA.

U.S. Congress backs war crime probe

THE RETURN of former Nazi Klaus Barbie to France has prompted e major new congressional investigation into wer criminals in the U.S., Reuter reports from Washington.

A member of the congressional investigating committee said it may probe whether U.S. officials have lied and covered up information ebont war criminals.

Namibia talks hopes

ANGOLA'S Foreign Minister, Mr Paulo Jorge, yesterday raised the possibility of a further meeting with South Africa to discuss a settlement in South West Africa (Namibia) but repeated his Government's refusal to link withdrawal of Cuban troops from Angola to tbe negotiations, Michael Holman writes.

The Minister was speaking at a press conference in London

EC textile protest

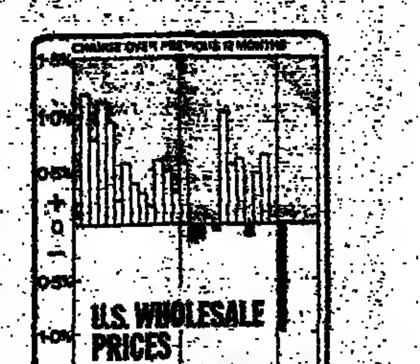
WEST GERMANY'S textile industry has formelly protested to the European Community Commission against what it estimates to be DM 230m (61.7m) worth of nnfeir state subsidies given to its Italian competitors, AP-DJ reports from Frankfurt.

Detente groups plan

THE MADRID European security review conference agreed yesterday to establish six working groups to negotiate a final document on east-west detente in Europe, Reuter reports from Madrid.

Record 1% fall for U.S. wholesale price index in January

BY ANATOLE KALETSKY IN WASHINGTON



U.S. wholesale prices plunged by a record 1 per cent in January as falling energy prices helped maintain the momentum that had already pushed inflation in 1982 down to its lowest annual level for a decade.

The 1 per cent fall in the January wholesale price index, announced yesterday by the U.S. Labor Department, was the steepest monthly decline since the index was introduced in 1947. It follows increases of 0.2 per cent in December and 0.6 per cent in November.

The drop, which was reflected in falling prices in most sectors of the economy, should help counteract some of the pessimism about inflationary prospects expressed recently by monetarist economists and analysts in Wall Street.

It is particularly welcome news for Mr Paul Volcker, chairman of the Federal Reserve Board, who will appear on Wednesday before the Senate to announce and justify the Fed's 1983 monetary targets. The Fed is expected to stick with what are its main targets —9 per cent growth in the broader money measures, M2 and M3.

But Mr Volcker will be able to argue that the fall in inflation has left more headroom than might have been expected for real economic growth within these targets.

The Fed is gradually shifting its focus towards e much broeder monetary guideline—the rate of growth of nominal gross national product. Under a policy geared towards nominal GNP growth, success in reducing inflation could lead directly towards a more stimulative attitude towards real economic growth.

The Fed will have much more room for manoeuvre in stimulating an economic recovery if January's wholesale price figures are followed by further good news on consumer prices, and if the inflationary expectations which have been building up in the money markets es e result of the past few months' very rapid growth in the narrower measures of money supply are reversed.

The biggest single factor in January's wholesale price decline was a 4.2 per cent fall in energy prices. But finished consumer goods, capital equipment, intermediate goods and crude goods, other than food, also fell in price.

Reagan proposes $4.3bn job-creation package

BY REGINALD DALE, U.S. EDITOR IN WASHINGTON

PRESIDENT Ronald Reagan has conceded to Congressional pressure by offering a $4.3bn (£2.8bn) programme to create jobs and provide "humanitarian relief" for the unemployed.

The offer was hailed as a major concession by Democrats, who have been pressing for Government funds to help those worst hit by recession. They claimed the package contained a number of measures they have long been pressing for and that Mr Reagan has so far resisted.

Mr Tip O'Neill, the Democratic Speaker of the House of Representatives, welcomed the White House proposal put forward at a private meeting on Capitol Hill on Thursday night as "progress in meeting the country's economic emergency." Final details, however, remained to be worked out in the next few days.

The White House insisted Mr Reagan bed not abandoned his long-standing opposition to whet he regards as deceptive "make-work" Government programmes.

Mr Reagan yesterday maintained his position that most of the new jobs would be created by accelerating "things that are already in the budget."

The package is believed to include funds to provide food and shelter to the needy and bomeless, and the acceleration of federal construction projects which Mr Reagan has already promised.

Foreign cars take 36% of market in France

BY DAVID HOUSEGO IN PARIS

THE FRENCH motor industry received another damaging setback last month when cars manufactured abroad captured 36 per cent of the domestic market.

This is much more than the average of 30 per cent last year. The record is 40 per cent, reached last mid-summer.

The sharpest loss in market share was experienced by Renault, which saw its sales drop by 16.6 per cent from those of January 1982. Citroën (part of the Peugeot group) suffered a loss of 8.5 per cent. By contrast, Peugeot itself benefited from a sharp recovery in sales, of 15 per cent, and Talbot (also part of Peugeot), of 5 per cent.

Total car sales in France, in January, reached 148,659, or about 3 per cent more than those of January last year.

Romanian production shortfall

By Leslie Colitt in Berlin

ROMANIAN INDUSTRIAL production last year again fell short of its target, rising 3.3 per cent over 1981 instead of a planned 4.7 per cent. The increase in 1981 was 2.6 per cent compared with a target of 7 per cent growth.

Romania hopes to achieve industrial growth of 8 per cent this year.

The statistical office in Bucharest said oil production last year was 11.7m tonnes or 800,000 tonnes short of the target. This reflected the inability to boost production from mature fields. Crude oil production this year is to reach 13.5m tonnes.

Coal production last year was 6.1m tonnes helow terget, a serious shortfall as coal is to replace oil in power statinns and industries. Coal production this year is estimated to have been some 51m tonnes.

Romania's grain hervest last year was a record 22.3m tonnes but fell short of the 24m tonne target. Meat production at nearly 1m tonnes was ahont half of the goal.

President Nicolae Ceausescu recently urged Romanians to reduce their calorie intake. He said it was 20 per cent above international norms.

Romania's foreign trade last year showed a surplus of $1.8bn, according to the statistical office which said it would help reduce Romania's foreign debt of some $10bn.

Leslie Colitt on East German promotion of a protestant's anniversary

An indulgence in Martin Luther

EAST GERMANY'S celebration this year of the 500th anniversary of Martin Luther's birth—overshadowed only by the centennial of Karl Marx's death—highlights the Protestant Church's growing political importance.

President Erich Honecker has now gone so far as to praise Luther as one of the German peoples' "greatest sons" as part of e strategy to claim leading figures of German history as East Germany's own.

At the same time, he is making a deliberate bid to woo the Church away from the unofficial peece movement which has sprung up among younger pastors.

Luther was born and died in what is now East Germany. But post-war East Germany history books called the leader of the Protestant Reformation a "servant of princes" and "traitor to the peasants" for his opposition to the Peasants' War of his time. Now, Herr Honecker speaks glowingly of the Reformation as a "boorgeois revolution" and of Luther as "one of the most important humanists striving for a just world."

Such an appraisal would have been impossible before Herr Honecker's 1978 truce with the leaders of the East German Protestant Church, whose members total more than 6m, or triple the number of Communist Party members.

The Protestant and Catholic Churches are the only institutions in East Germany to be independent of the Communist Party. They enjoy greater freedom than in other Communist countries apart from Poland and Hungary.

Herr Honecker now heads the Government's Martin Luther Committee, which has funded repairs to Luther's places of birth and death in Eisleben, and to sites in Eisenach, Erfurt and Wittenberg, where he spent much of his life.

At least 100,000 hard currency spending tourists are expected to come for the Luther celebrations. Tours "in the footsteps of Martin Luther" will include visits to the Wittenberg church door to which Luther attached his Ninety Five Theses and to his room at Wartburg castle, where he is alleged to heve thrown an ink-pot at the devil, but hit the wall instead.

East Germany haa issued stamps honouring the "great reformer" and a record album with readings from the Bible translated into German by Luther, as well as the music he composed.

This flood of memorabilia about e man officially damned or ignored during most of East Germany's existence prompted the East Berlin cabaret Die Distel—The Thorn—to pay its own satiric tribute, including a rare mention of Herr Honecker.

"He who thinks Martin is philosophically not quite legitimate enough for us, remember—Comrade Erich supports him! But not all the comrades should race to join the church in one mass move!"

The caberet spoof goea on to note that granting indulgences, which Luther condemned, would be e handy device in East Germany. The married boss who has e "Techtelmechtel"—an affair with his aecretary—would merely go to the state

indulgence office and pay 20 East German marks (£5.26) to "cleanse his soul and avoid office purgatory."

The citizen caught building a hungalow with stolen material would buy an indulgence and "then be's clean." The process could be speeded up, because the "indulgence man would take Valuta" (hard currency).

Television stations in East and West Germany have prepared a series on Luther's life and, not to be wholly outdone by East Germany, West German cities, too, are marking Luther's anniversary.

Nüremberg, the first German city to introduce the Reformation, will hold a major Luther exhibition beginning in June, while Augsburg, Coburg, and Worms, where the edict was issued, saying: "His books are to be eradicated from human memory," will be the scene of important exhibits.

The Protestant Church in East Germany will commemorate Luther Day on May 4 at Wartburg Castle, with a service to which Catholic Representatives have been invited. Bishop Werner Leicht, chairman of the Protestant Church's Luther Committee, said controversial themes will not be avoided, including "Luther's attitude toward Jews."

The East German Church will also hold regional church conferences under the theme, "Daring to Trust," at which one certain topic will be how far the East German Church should go in supporting the growing number of young people refusing to do military service.

Another will be the question of whether the church in East Germany, as younger pastors demand, should step up its attacks on Soviet, as well as U.S., nuclear missiles in Europe. Any such moves by the Church would inevitably badly sour church-state relations, Martin Luther notwithstanding.

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Labour plea on boundaries rejected

BY RAYMOND HUGHES AND PETER RIDDELL

THE Labour Party yesterday lost its last chance of blocking changes in the boundaries of English parliamentary constituencies, which will cost Labour about 30 seats at the next General Election, it is estimated.

Five Law Lords decided there were no grounds for allowing Labour to challenge the Court of Appeal's refusal last month to stop the Boundary Commission for England anbmitting its report. This proposed that tbe Home Secretary implement the changes.

After listening to Labour's counsel for 70 minutes, and without calling on the Commission's counsel tn reply, the Law Lords took only 10 minutes to decide to refuse Labour's leave to appeal.

Lord Diplock said that they had recognised the great pnblic importance of the case and therefore sat as an appeal committee of five instead of the usual three judges.

They were unanimous that no arguable ground bad been shown to suggest that an appeal could possibly succeed.

The case bad been brought by Mr Michael Foot, Mr Michael Cocks, Labour's Chief Whip, Mr James Mortimer, the party's general secretary, and Mr David Hughes, the national agent.

Their argument that the Commission misdirected itself and did not do its duty reasooably in accordance with the House of Commons (Redistribution of Seats) Acts, was rejected by two judges in the Queen's Bench Divisional Court last December and by three Appeal Court judges last month.

The Labour leaders have been ordered to pay the costs of all the hearings, unofficially estimated at abont £75,000.

The Law Lord's ruling bas opened up the Prime Minister's options nn election timing. Although a statement from Labour yesterday hinted that it might try to delay implementation of the changes by prolonging the debate in Parliament on the Commission's report, it is likely that the administrative work could be completed in time for a summer election.

There is, however, no indication that Mrs Thatcher has changed ber mind about preferring a later date. She will probably not review the position again until after the local elections in early May.

A sizeable and growing group of back-benchers and junior ministers favour a summer election to avoid losing the party's opinion poll lead. But several cabinet ministers still believe October is preferable.

However, if the Conservatives do well in the local elections, if the opinion poll lead is maintained, and if the Budget is well received, there may be very stroog pressures for a June election.

Meanwhile, Labour bas the added problem that, unlike the other parties, it has not started to select candidates nn the basis of the new boundaries. Such a process will probably ressurect the clash betweeo Labour's left and right wings in many constituencies.

Foot pledges more leeway for local councils

BY PETER RIDDELL, POLITICAL EDITOR

THE LABOUR PARTY plans legislation to free local authorities from many central government controls and to allow them to expand their services.

Mr Michael Foot, the Labour leader said at the Labour local government conference in Portsmouth last night, that the party would publish its campaign guide in a week or two, setting out its programme and priorities.

Mr Foot said the party would announce pledges tn increase and simplify grants, to free councillors from the threat of surcharge, to expand social services, education and council housing, to freeze council rents for a year and to restore full local authority control over transport.

Speaking at the same conference, Mr Gerald Kaufman, the shadow Environment Secretary, promised action to remove restrictions on council's direct labour organisations and to allow them a wider scope to tender for work in the private sector as well as for local authorities generally.

Mr Kaufman also promised to repeal the existing legislation on local authority financing which allows the Government to impose ceilings on local spending, while there would be no more enterprise zones.

In another weekend speech, Mr Brynmor John, the Labour Social Security spokesman, called for a £2-a-week increase in child benefit in the Bndget, as well as a pledge that there would be no claw-back from pensions and other benefits. He also urged the restoration of the 5 per cent cut in the real value of unemployment benefit.

Speaking in the Midlands yesterday, Mr Roy Hattersley, the shadow Home Secretary, attacked the Government's proposed civil defence regulations which are based on the consultative document published last October.

He said Labour would vote against these regulations, partly because they imposed obligations oo councils which they would be unable to fulfil and which could be discbarged only at enormous cost while further eroding local democracy.

● Dr Rhodes Boyson, the Under-Secretary of State for Education, said last night that there seemed lo be "a growing letf-wing plot" in some Labour-controlled authorities to destroy excellence and order in schools. Presumably, the aim was to create decline, despondency and chaos which conld be used to facilitate a Marxist take-over of British society, he said.

Dr Boysoo cited two cases to back his allegations duriog a speech lo Tories in his Brent North constituency.

He said Brent Council—which he called the "People's Republic of Brent"—with its Labour majority had required a report from all its head teachers on their plans for encouraging pupil iuvolvement in the "extreme left-wing National Union of School Students."

Dr Boyson went on to claim that some Lahour authorities had packed the governing bodies of schools with ooe-party political appointments, totally against the recommendation a few years ago of the Taylor Report on governing bodies.

He said Chesterfield school in Derbyshire, a successful boys' school with a sixth form of 200, bad 12 political governor appointees—all of them Labour.

Mining Supplies chief resigns

By Ray Maughan

MR ARTHUR SNIPE resigned yesterday as chairman and managing director of Doncaster-based Mining Supplies, the company be founded 13 years ago, following "certain irregularities" which bave come to light in a VAT investigation.

Undisclosed sales bave been put by the VAT office at £700,000 — "the proceeds of which were not accounled for to the group."

An investigation by the company's auditors, Coopers & Lybrand, started but it will be some time before the amount is established.

They are not thought to exceed £700,000 by much but an assurance bas been given to the company that "full restitutioo will be made." Meanwhile, £660,000 has already been received oo account.

Mr Snipe has assured the board neither he nor his family has any intention of selling part of their substantial holding in the company.

In the accounts for the year to May 1 last year, Mr Snipe was shown as holding 38 per ceot of the equity.

The only other shareboider with a 5 per cent stake or more was Mr Michael Bell who takes over as managing director. It is understood Mr Bell bas beeo in line for the post.

The chairman's post will be taken by Mr Ken Blair, a director of Pegler-Hattersley, who is generally credited with the strong performance of Pegler's plumbing fittiogs and valve divisions.

Mining Supplies had achieved strong unbroken growth for several years until it acquired Laurence Scott, an electric motors group, which dragged the company into a £715,000 pre-tax loss last year

Results, Page 18

Fieldhouse removed as chairman of Carrington-Viyella

BY ANTHONY MORETON, TEXTILES CORRESPONDENT

Bill Fieldhouse: service contract led to break.

VANTONA yesterday stripped Mr Bill Fieldhouse of the chairmanship of Carringtoo-Viyella, the textile group it acquired on Wednesday.

Sir James Spooner, Vantona chairman, was appointed in his place at a board meeting.

The original iotention was that, followiog the two companies' capital reconstruction after the merger, Mr Fieldhouse would become executive deputy chairman of the group, to be called Vantona-Viyella, as well as chairman of CV, the main operating arm.

Mr Fieldhouse remains a non-executive member of the Carrington-Viyella board, a role he will assume on Vantona-Viyella when it comes ioto existence.

None of the parties would comment on the change last night. Sir James Spooner would only say that Mr Fieldhouse "has now given up all his executive positions withio the combined group and I bave takeo over from him."

The question of compensatinn for Mr Fieldhouse "will he dealt with by his lawyers aod the company's lawyers."

Mr Fieldhouse was instrumental in bringing the two companies together in talks which began last April.

It was his service contract that led to the break. He had a service agreement with CV giving him a salary of £75,000 a year terminable on five years' notice. This contract began oo July 2, after the talks wilh Vanlona started.

It stipulated that if there was a disagreement between himself and Vanlona during the first two years of the merger which could not be resolved to his satisfaction be would be entitled to treat this as a repudiation of the contract.

The Post Office Pension Fund and other institutions were angered by this clause as they considered it gave him the right to collect £375,000 as a golden handshake.

Their anger was compounded by the revelation last month that Mr Fieldhouse had received what is thought to be the largest award made in Britain when a year ago he left Letraset, where he had been chairman.

Mr Fieldhouse has always refused to confirm the actual figure, but he is believed to have received some £700,000 for loss of office when Esselte, the Swedish group, took over Letraset.

Sir James Spooner commented then that the news of Mr Fieldhouse's deal with Vantona came as a great surprise to him.

Another underwriter sues over dismissal

By John Moore, City Correspondent

ANOTHER underwriter sacked by the Lloyd's insurance interests of Minet Holdings, the troubled insurance broker, is sueing a Minet subsidiary for wrongful dismissal.

A statement issued yesterday by lawyers for the sacked underwriter, Mr Adrian Hardman, said he had "issued proceedings in the High Court against his former employers, PCW Underwriting Agencies (part of the Minet Holdings group). Mr Hardman is claiming damages for breach of contract against PCW Underwriting Agencies alleging that they summarily and wrongfully dismissed him from his employment as a marine underwriter."

Earlier this week Mr David Babington Hill, a marine underwriter who was sacked with Mr Hardman last December, also took legal action against PCW claiming wrongful dismissal and damages.

The dismissals came when the two former underwriters and four other senior Minet staff—including Mr John Wallrock, the former chairman—faced allegations that they personally benefited from reinsurance transactions carried out by Lloyd's syndicates under the management of Minet companies.

In the wake of the scandal, about 150 of the 1,800 members of the Lloyd's underwriting syndicates under the management of Minet's PCW agency company decided to leave the group and seek new management for their affairs at Lloyd's.

Mr Wallrock was forced to resign from the group after he admitted that he personally benefited from reinsurance transactions carried out by the syndicate.

No details were given yesterday about Mr Hardman's length of contract when he was dismissed.

Mr Hill had a 12-year contract with the PCW agency commencing from June 1980. When be was dismissed from the group, be was earning £32,500 a year, with a personal share in the agency's profit commission worth £17,632.

Golf course builder faces liquidation

By Terry Byland

Allis Thomas Golf Construction, a private company formed 10 years ago by golfing stars Peter Allis and Dave Thomas, faces almost certain liquidation on Monday following a petition from its creditors.

The company, which specialised in the design and construction of golf courses, said the collapse was caused by the failure of projects in Japan and Spain.

The petition was made by a group of small UK creditors, seeking payment of debts of £3,000.

Allis Thomas, based in Rosebourne, Hampshire, has been involved in several projects in the U.K., including a plan to build the London Open Golf and Industrial Mall next to Heathrow airport. It also helped to build a golf course at the West Midlands headquarters of the Professional Golfers Association. Neither Mr Allis nor Mr Thomas was available for comment yesterday, butthe company said through its solicitors that its problems would have been overcome "if some creditors had been willing to wait." It had been trying to sell assets and, given time, would bave been able to satisfy all current creditors.

The company said the specielist nature of its business meant it was restricted to a few clients in any one year and the failure of two big projects caused "severe cash problems." The company's most recent venture was the construction of the Old Thorn Golf and Country Club in Hampshire, a joint venture with Mr Ken Wood, founders of the food mixer company.

British Steel

IN yesterday's early editions, the assertion that Mr Ian MacGregor was eager to administer the same harsh medicine to the National Coal Board that he bas applied to the British Steel Corporation was attributed in error to a spokesman for Mr MacGregor.

Pub food sales

OUR FEBRUARY 10 report of a boom in pub food sales was drawn from Egon Ronay's Bulmer Pub Guide, 1983, not the Good Pub Guide.

Civil Service cut to 17-year low

BY IVOR OWEN

THE NUMBER of civil servants bas been redneced to 652,500—the lowest for 17 years—Mr Barney Hayhoe, Treasury Minister of State, announced in the House of Commons yesterday.

He told MPs that the Government expects to secure a further reduction to 630,000 by April next year, thus fulfilling its plan to cut the Civil Service to its smallest since the Second World War.

The number of civil servants bad been reduced by 11 per cent since the Government took office, leading to a saving of some £600m in the annual pay bill, Mr Hayhoe said.

He insisted that although Lord Rayner, an exective of Marks & Spencer, would no longer be leading the drive against inefficiency in Whitehall, there would be no let-up in the Government's determination to improve the performance of the Civil Service.

In spite of pressure from Mr Tim Eggar (Con, Enfield North), Mr Hayhoe ruled nut suggestions that the Treasury and the Management and Personnel Office should, if necessary, be able to go over the heads of departmental ministers and conduct efficiency audits in any part of the Government machine.

He argued that although the collective responsibility of the Cabinet for certain matters was powerful, nothing could be allowed to interfere with the doctrine that each minister was answerable to parliament for his own department.

He instanced the financial management initiative, centrally co-ordinated efficiency exercises and joint central departmental exercises covering staff inspection and effectiveness reviews as evidenre of th elegitimate interest taken by the Treasury and the Management aod Personnel Office in the quality of departmental management.

Co-op buys five stores from BAT

BY CHARLES BATCHELOR

BAT STORES, the retailing arm of BAT Industries, yesterday sold five of its Mainstop stores to the Co-operative Wholesale Society (CWS) for £14.1m. It expects to complete the sale of the remaining six or so stores, probably to a single buyer, in the next few weeks.

BAT, which has extensive tobacco, paper and packaging interests, set out to establish a chain of 35 Mainstop superstores three years ago, bnt was unable to find enough suitable sites. Last November it announced plans to sell off some of the stores and integrate the rest within its 450-strong International Stores chain.

The latest sale involves stores in Gosport, Hampshire; Nottingham; Orpington, Kent; Peterborough, Cambridgeshire; and Rugby, Warwicksbire. They bave a combined selling space of 160,000 sq ft.

The Mainstop range was 70 per cent food items. The stores are being sold where they duplicate existing International Stores outlets.

The CWS said it had negotiated with BAT on behalf of several individual retail co-ops, each of which may later buy or lease the stores.

"The addition of these five major outlets brings the number of Co-op superstores to 50," said Mr. Dennis Landau, CWS chief executive. "These stores will be operated by Co-op societies from next Mooday."

The Co-op will retain the present workforce. The group is Britain's largest food retailer with annual sales of more than £3bn.

BAT earlier annonnced the sale of three stores to William Morrison, the Bradford supermarket group, for £3.9m, and of another store to Hillards of Bolton.

Chemical Bank moves into new centre at Cardiff

BY ROBIN REEVES, WELSH CORRESPONDENT

CHEMICAL BANK'S new Cardiff operations centre, which will be responsible for a large part of the U.S. bank's operations in Britain, was formally opened yesterday.

About £3.5m has been invested in an advanced network on data and telecommunications technology, linking the centre to the main trading and marketing functions, which remain in London.

The 70,000 sq ft of office space in the centre of Cardiff, at a reported rent of £5.35 a sq ft, will permit the bank, sixth largest in the U.S., to reduce the growing cost of rent and rates in London.

Mr Robert Callender, Chemical Bank's executive senior vice-president, said the decision to move to Cardiff was "a major change for the bank and a potentially significant signpost for many other industries in the future." The choice came after a study of more than 20 towns in England and Wales.

Mr Nicholas Edwards, Welsh Secretary of State, described the bank's arrival as an important landmark in the transformation of the economy of Cardiff and Wales. It was the first major financial group to move into Wales, he said.

About 250 staff have been recruited, 150 locally. The number is due eventually to rise to 400.

● The National Giro Bank at Bootle, Merseyside, is to make 200 of its staff redundant, 90 per cent of them women workers aged over 61. Those who have been offered severance pay have until October to make a final decision.

Whitbread to close brewery in Portsmouth

THE 200-year-old Whitbread Wessex Brewery in Portsmoutb will close in September with the loss of 123 jobs. A decline in natiooal sales of beer in the last two years is blamed. The company will still employ 200 people in administration and distribution.

The Transport and Geoeral Workers' Union, representing the production staff, said the company bad reneged on an eight-week-old agreement to consult workers before redundancies or changes were made.

Mr Alex Hodder, a union representative, said there would be a meeting with the management.

"We are making every attempt to save the jobs.

Mr Ron Worland, managing director said: "The problem we face is that we bave been able to produce more beer than we are selling."

Car output falls despite sales increase

BY KENNETH GOODING, MOTOR INDUSTRY CORRESPONDENT

CAR SALES last month reached a record for any January, but UK production slipped.

Provisional Department of Industry estimates put car output last month at 67,000, seasonally adjusted, compared with 72,000 in January 1982.

The department said recent trends were difficult to discern because of the wide variation of production from month to month.

Taking the past six months as a whole, output fell 6 per cent from the previous six-month period.

The downturn last month reflected the shut-down of the Austin Rover Metro lines and Ford's problems in meeting scheduled trgets at Dagenham, where the Sierra is produced.

Seasonally adjusted commercial vehicle prodnction in January was also below the monthly average for 1982 and lower than levels in the second-half of last year, when output seemed to be improving.

However, the ootpot figure last month was 20,300, compared with 19,600 in January 1982 wben Leyland was not producing becaose of the dispnte over its ratiooalisation

For the past six months as a whole, commercial vehicle production rose 5 per cent no the previous six-month period.

Heathrow terminal plan attacked

By Michael Donne
Aerospace Correspondent

DEVELOPMENT of a fifth passenger terminal at London's Heathrow airport in the late 1980s would create immense difficulties for the British Airports Authority and the airlines in trying to keep within the Government's planned ceiling of 275,000 aircraft movements e year to and from the airport, according to the BAA.

The ceiling is to take effect in 1985 when Terminal Four, now under construction, becomes operatinnal. Its aim is to keep environmental noise and pollution nuisance to residents round Heathrow to a minimum.

Terminal Four, approved after a long public planning inquiry, is intended to raise the number of passengers passing through the airport from the present 30m to ahout 38m a year.

But the BAA says a fifth passenger terminal at Heathrow, designed to cater for another 15m passengers a year, would put severe strains on the Covernment's ceiling of permitted aircraft movements.

Mr D. M. C. King, BAA's director of Heathrow, suggests ir evidence submitted to the public planning inquiry into the proposed fifth terminal that even with Terminal Four and a maximum of 38m passengers a year the problems of trying to cope within the 275,000 ceiling would be come almost overwhelming. It would he virtually impossible to try to move 53m passengers a year through the airport with the same ceiling.

Although the use of larger aircraft would belp the airlines keep within the ceiling, there would still be difficulties in finding enough landing and take-off time-slots during the day for all the aircraft involved.

Heathrow already suffers from the problem of an acute shortage of space, Mr King says. "At certain hours it is at capacity, and there is a delicate balance between satisfying the demands of airlines and maintaining acceptable service levels. At specific hours, the demand is now greater than can he met."

It is the BAA's objective, be says, to ensure that the problem does not get any worse.

U.S. lessons 'will benefit Sizewell'

BY A SPECIAL CORRESPONDENT

THE LESSONS which emerged from the Three Mile Island accident in the U.S. have been taken into account in plans for Britain's first pressurised water reactor (PWR) power station, the Sizewell B inquiry was told yesterday.

Mr John Harrison, head of new projects in the Central Electricity Generating Board's health and safety department, said that following the 1979 accident an "action plan" bad been drawn up by the U.S. Nuclear Regulatory Commission, the equivalent of Britain's Nuclear Installations Inspectorate.

The accident had undoubtedly been very serious in terms of reactor damage, cost and the risks involved in the clean-up operations, but the public had not been harmed.

While the design of the Three Mile Island PWR was very different from Sizewell B, the CEGB and the National Nuclear Corporation had applied the action plan recommendations whenever they were relevant.

Mr Harrison said help in completing the work had been provided by the Westinghouse and Bechtel Corporations in the U.S. Sizewell B is modelled on the Westinghouse PWR, with Bechtel acting as special consultant.

Action plan recommendations relating to operating procedures, training and improved emergency preparations had all been noted in preparing the Sizewell B design, he said.

Staff operating the reactor would follow a training and qualification programme embodying the lessons of the U.S. accident. When working, they would also be provided with more informatihn about the way the plant was behaving.

Studies were undertaken in the U.S. of measures which might lessen the effect of an accident involving a melt-down of the reactor core but these had been shown to be largely ineffective in terms of reducing risks.

Other action plan requirments involved relief and safety valve research and testing and the results would be available for Sizewell B.

Mr Harrison said the CECB and the National Nuclear Corporation were fully aware of the importance of the lessons of Three Mile Island and other significant U.S. PWR incidents.

These included an emergency at the Rancho Seco plant where staff had difficulty in determining the state of the plant for 70 minutes, and at the Ginno plant, where a steam generating tube ruptured leading to a leak of radioactive material.

The Three Mile Island accident involved e combination of technical and human errors, including the failure of a valve. Technical problems and operator errors brought the reactor close to the stage where a more serious accident could have occured.

The Nuclear Installations Inspectorate is yet to be satisfied on various aspects of the CEGB's case on Sizewell B's safety.

Rolls-Royce to help develop carbon fibre

By Michael Donne.

ROLLS-ROYCE is to join with Nippon Carbon of Japan in researching and developing a silicon carbide fibre, Nicalnn, for nse in the aero-engina and other metal-using industries.

Nicalon is made from silicon carbide reinforced aluminium. It will be exploited hy Rolls-Royce in the mannfacture of nero-engine parts, such as compressor casings.

The material is claimed to he strong, light and beat-resistant, making it snitahle for aero-engines, but with wide uses elsewbere.

Nippon Carhon has already signed an agreement with Dow-Corning for the exploitation nf the material in the U.S. and Canada, and is looking for other partners elsewhere. Rolls-Boyce is the designated partner in the UK and Western Europe.

Rolls-Royce already has links with the three major Japanese aero-engine companies—Ishikawajima-Harima Heavy Industries, Mitsubishi Heavy Industries and Kawasaki Heavy Industries—on the development of the RJ-500 aero-engine for airliners such as the Airbus A-320 150-seater.

Nippon Carbon is producing Nicalon et a pilot plant near Tokyo at a monthly rate of 100 kg. It plans to boost this to one tonne a month from March.

● Orion Airways, the UK indepeudet airline, bas placed a £4.5m order with Rediffusion Simulation for a flight simulator for the new advanced Boeing 737 Series 300.

Orion, which is the airline suhsidiary of Horizon Travel, is huying five of the new aircraft.

The simnlator will he the world's first fo the 737-300. It will he installed at Orion's new Flight Training Centre at the East Midlands Airport near Derby, ready for training to start in January 1985. Delivery of the Series 300 aircraft from Boeing starts in 1985 and extends into 1986.

Rediffusion Simnlation, e member of the International Rediffusion electronics, computer and music group, will build the simnlator et its Crawley, Sussex, factory.

Steel union officials stripped of office over local pay deal

BY BRIAN GROOM, LABOUR STAFF

SIX branch officials ot the Port Talbot steelworks in South Wales have heen stripped of office by the main steel union, tho Iron and Steel Trades Confederation, for signing a local pay and productivity agreement with the British Steel Corporation.

The deal was signed on Wednesday by some ISTC sections et the plant and some other unions in defiance of the embargo on local pay talks imposed by the ISTC and 13 other British Steel unions.

The unions ere trying to mount a united campaign against British Steel'a plan to pay no national wage increase this year. The corporation insists, as it did last year, that any money must be earned from a continuation of local lump-sum bonuses in return for redundancies and other efficiency measures.

The TUC steel committee has recommended all 14 unions to hold a joint meeting of negotiating committees in Sheffield on February 25 to discuss the next step.

Mr Bill Sirs, ISTC general secretary, said: "The dismissal of these Port Talbot officials means that the agreement signed is invalid." British Steel, however, believed it still had a deal.

No details of the agreement have emerged except that it includes the 2.5 per cent guaranteed minimum bonus payment proposed by British Steel at national level. ISTC branch officials would not comment. ISTC head office said the other unions were considering the position of their own branch officials.

Mr Sirs said: "For the first time since the national steel strike, all the steel unions have combined together to fight BSC on pay. It is essential that we stick together."

He added that over the last two years the bonus schemes were "a cruel con trick. Workers bave been promised bonuses of up to 17 per cent and have received 4 to 5 per cent. Last year most men were promised 10 per cent and most received 2.5 per cent."

This year the unions were not going to be "conned again," he said, which was why harsh action had been taken against the lay officials. They had been stripped of branch office but would keep their membership.

British Steel has told the unions that they must sign national enabling agreements by Monday or payments will not be backdated to January 2.

ICI biotech processes backed by grants

BY DAVID FISHLOCK, SCIENCE EDITOR

SUBSTANTIAL FINANCIAL support is heing given to Imperial Chemicals Industries under an Industry Department initiative which has earmarked £16m for new industrial biotechnology ventures.

Two ICI technologies at its agricultural division at Billingham Cleveland, Northern England, have received grants under the department's processes and products developments scheme.

Other investments include £700,000 in a £2.25m pilot plant for continuous fermentation planned by Matthew Hall and P. A. International, and support for a "club" of 50 industrial companies organised by Harwell.

The ICI technologies are processes for making a biodegradable plastic called PHB (polyhydroxy butyrate) and for further developing its Pruteen process. Pruteen is single cell protein for feeding young animals and fish.

Both technologies involve cultivating bacteria in continuous fermentatinn plants.

Mr Patrick Jenkin, Industry Secretary, last November announced initiatives to support biotechnology involving £16m expenditure.

The grants to ICI are understood in each case to amount to less than a third of what the company expects to spend en the development.

Mr Rob Margetts, agricultural division director of research, said the PHB devilopment involved both the novel product and its manufacturing.

ICI has been making a few tonnes of PHB a year for study as a premium-priced specialty plastic, notably for medical uses.

It aims at raising production to a few hundred tonnes a year.

PHB's biodegradability and lack of foreign-body reaction when implanted hold promise of uses in surgery. It would simply dissolve in the body once it had done its job.

For Pruteen the further development focuses on raising the efficiency of its process for continuously breeding bacteria fed on methanol, and on increasing the proportions of key ingredients.

Mr Margetts said the grants to ICI were "significant" but not the maximu mof 33 per cent available until the end of May. Thereafter the top limit has been set at 25 per cent.

Wilkins and Mitchell wins £9m batch of orders

BY LORNE BARLING

WILKINS AND MITCHELL, the Midlands power press company which was bought out of Receivership last year by the U.S. company Verson Allsteel Press, has won orders worth nearly £9m in the past five months.

Verson, a Chicago-based company with annual sales of about £50m, is integrating Wilkins and Mitchell into its international marketing and manufacturing activities. It has so far invested about £200,000 in the Darlaston factory.

Since re-opening the plant last August with a reduced workforce, the company bas received export orders worth £8.9m for metal forming presses, large automated welding machines and forging presses, with the result that it is working at full capacity.

Mr Timothy Kellicher, managing director of Verson International, said yesterday that all the company's output was being sold abroad, due mainly to the lack of investment in Britain, but be believed that this would increase in response to foreign competition.

Pricing hitch delays Irish gas deal with Ulster

BY BRENDAN KEENAN IN DUBLIN

THE DELAY in signing an agreement to supply natural gas from the Irish Republic to Northern Ireland is believed to be caused by the difficulty of establishing a pricing mechanism to cover changes in world energy prices and exchange rates.

Mr John Bruton, Ireland's Industry and Energy Minister, met Mr Adam Butler, his Belfast counterpart, for talks this week but it is thought many weeks of work remain before agreement is reached.

The two governments agreed on e basic price for the gas from the Kinsale field off Cork some time ago. This is believed to be about 30p a therm.

The final contract will have to cover the expected 20-year supply. An added complication is that the Irish pound is no longer linked to sterling.

The Irish would like a reciprocal deal so they would have access to any gas which might be discovered in Northern Ireland's jurisdiction.

The proposed pipeline would run from Dublin to Belfast.

Little hope of water talks as strike effects worsen

BY IVO DAWNAY AND ROBIN REEVES

THE DEADLOCK in the water dispute continued yesterday with little prospect of new talks over the weekend.

The Advisory, Conciliation and Arbitration Service is maintaining contacts with both sides but neither the employers nor the water unions appear to have given ground on the key issue of whethes any inquiry or arbitration sbould be binding.

Evidence os worsening water services emerged with farmers expressing the greatest concern.

In the past week the number of consumers boiling water for drinking rose from 7m to 7.5m, while properties without supplies more than doubled from 21,000 to 50,500.

The Agriculture Ministry has set up emergency information offices for farmers in all regions of England and Wales. There is growing concern that dairy herds, intensive livestock breeding and greenhouses are being bit.

The Confederation of British Industry reported little evidence of interruptions to work, although some small plants lost supplies and others suffered breaks in services.

There were sporadic sit-ins by strikers in many regions, although many ended of their own accord. In Ham, near Taunton, 10 workers occupying a sewage plant were served with a summons to appear in court on Monday.

In most regions, the unions have ordered a withdrawal of emergency cover. Many workers are ignoring the instruction when appeals are made by health authorities or local manegement.

Wales is among the worst hit regions with about 1.7m consumers, over half the population, having to boil their water. The Farmers Union of Wales has warned that there will be disastrous consequences unless supplies are restored soon.

In the South West all consumers are boiling water. Much of West Cornwall is receiving intermittent supplies and more than 100 industrial consumers have been shut off in the past week to make water available for hospitals and domestic users.

Regional reports indicate that, while supplies are being maintained to the vast majority of customers, a long strike and worsening weather could bring a rapid increase in burst mains.

APPOINTMENTS

Chief for Golden Wonder

Mr David Wellings has been appointed chairman and chief executive of GOLDEN WONDER and HP FOODS, and joins the board of Imperial Foods. He has heeo maoaging director of hoth compaoies since October 1960 and retains this responsibility. Mr Wellings succeeds Mr Cerry Sharman who was appointed chairman and chief executive of Imperial Foods in December.

★

Mr Robert G. Pnrsbouse has been appointed a director of MANDER BROTHERS, part of the Manders Group. He will be responsible for personnel. Mr Colin Greatrix has been appoioted a director of MANDERS PAINTS.

★

Mr Barry John Sonthcott has heeo appointed a director of the BRITISH INVESTMENT TRUST.

★

Mr Mike Dellar has been appointed managing director of SPICER-HALLFIELD to succeed the late Mr Hugh Spence. Mr Dellar was regional manager of Spicers' stationery wholesaling operation.

★

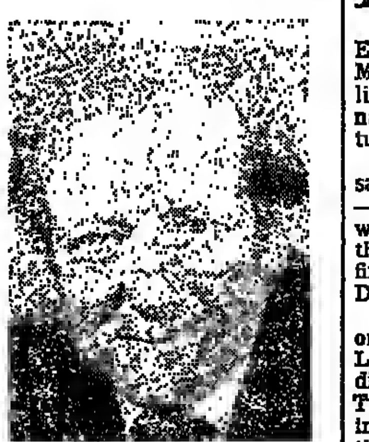
Mr John Moody bas become managing director of PITNEY BOWES following the retirement of Mr R. E. Williams. Mr Moody was director of marketing until June when he was appointed assistant managlog director. He joined the company in 1970. Mr Eric Springate bas joined the company as marketing director from AB Dick, where he beld the same post. Mr Robert Baker has been named fioanre director. He joins the company from Diploma, where he was managing director of ooe of the major subsidiaries.

★

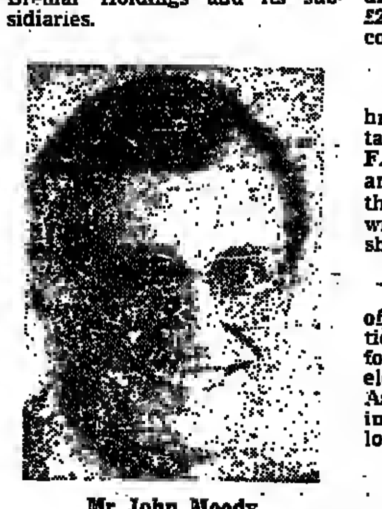
Mr Neville Whitfield has been appointed maoaging director of PELCO (ELECTRONICS). He succeeds Mr Cordon Dale-Smith who has decided to concentrate oo other interests. Mr Dale-Smith will remaio a consultant to Pelco. Mr Neville Whitfield bas relinquished his position as sales and marketing director of Welwyn Electric, a subsidiary of Welwyn Electronics, which also owns Pelco. He will remain a member of the Welwyn Electric hoard.

★

Following the announcement of the proposed acquisition of Bremar Holdings by Bremar Trust, BREMAR HOLDINCS has appointed Mr R. J. Frost a director. Mr Andrew L. Creystoke, director of Bremar Holdings has been appoioted chief executive, interoatiooal, and Mr Brian Tuck has been appointed secretary of Bremar Holdings and its subsidiaries.



Mr David Wellings, chairman, Golden Wonder



Mr John Moody, Pitney Bowes managing director

Mr David Qnysner, a director of Ahiogworth has joined the hoard of COMPUTER PERIPHERALS as a non-executive director following Abingworth's £200,000 investment in the company.

★

SMITH KEEN CUTLER, stockbrokers, from May 6 will be taking into partnership Mr Peter F. Green, Mr Nigel A. Harrison and Mr Jeremy J. D. Smith. At the same time Mr Deric J. Homes will he retiring from the partnership to join another firm.

★

Mr Björn Allgurén, who is head of business research and infarmatioo at Billerud, a Swedish forestry company, has been elected president of tha European Association for Indnstrial Marketing Research—EVAF, which is located in London.

★

Mr R. G. Trigg-Knight company secretary for the past three years of E. ALLMAN AND CO., has been appointed to the board.

★

JOHN COVETT AND CO. has appointed Mr R. A. Smith as a director.

★

Mr Ronald C. Nelson, company secretary of COCHRANE SHIPBUILDERS, Selby, bas been appointed a director.

★

Mr Malcolm Campbell bas become a board director of CREASY PUBLIC RELATIONS. Ha was account director.

★

Mr Terry Wainwright has been appointed marketing director, PARTCO EUROPE. He was marketing manager. The company is a Quinten Hazell subsidiary.

SAVINGS OFFERS

Polishing up an old cutlery name

Raymond Snoddy reports on a new lease of life for Viners

EVERYONE WHO meets Mr Melvyn Novak at the moment is likely to be asked: "Can you name three cutlery manufacturers?"

Almost without exception, he says, people can name only one—Viners, the Sheffield company which went into the hands of the receivers in July and was finally dismembered in December.

The answer is a reassuring one for Melvyn and bis brother Leon, chairman and managing director respectively of the Trafalgar Group, a north London incentive promotions, distribution and retail company, for they have just spent several hundred thousand pounds acquiring the Viners name and its trademarks, designs and tooling.

Though they have never manufactured anything before, they hope to succeed where the cutlery industry professionals have so obviously failed.

Premises are being sought in Sheffield and the new Trafalgar subsidiary is planning to begin manufacturing Viners cutlary again by April.

Trafalgar, which has no connection with Trafalgar House, expects to commit £1m from its own resources this year to breathe life back into the Viners name.

"Our main objective for 1983 is to keep the Viners brand awareness alive," says Mr Melvyn Novak.

"I wnuld think we would make profit in 1984. There is no question abeut the fact that it will be successful."

Mr Novak, 38, set up an incentive promotions company at the age of 23 with £100 capital. The diversified group he beads new employs 250 people and has an annual turnover of £10m.

It has organised offers on the back of packets such as free oven gloves from Bisto, bargain tennis rackets from Kelloggs, and the 100,000 car-wash hrushes that Shell will give away with oil over the next couple of months.

The success of the business was based on the realisation that the companies for which they ran incentive promotions were also manufacturers who might have suitable "dead stock" for other promotions or discount mail order catalogues.

"We don't buy rubbish or seconds. But we realised we could sell products that in the normal course of things are not terribly desirable," Mr Novak says. Last year's range or colour is very acceptable as a gift or when it comes at a hefty discount.

When a company is in trouble or changing its stock lines, Mr Novak is there. For instance, when Ilford decided to atop making cameraa, Trafalgar bought the remaining 200,000 cameras in stock.

More recently he bought 50 containers, each 40 ft long, full of plant propagators from an American manufacturer which bad gone out of business.

But is a sharp eye for a bargain and a "gut feeling for what Mr Joe Average wants to buy" enough to compete in the cutlery business? Mr Novak says simply: "We are a trading company, we understand merchandisa and we have a good team." Former key members of the Viners staff will also he hired.

Trafalgar bas been a customer of Viners for its incentive catalogues for the past 10 years and recently had a range of promotional items, such as corkscrews and hutter dishes, made for it under the Viners name.

As soon as the receivers were appointed, the group put in e bid for the assets it wanted, but was successful only after the last attempt to sell the business as a going concern failed.

It is, however, unclear what proportion of Viners products will be manufactured in the UK.

Silverware and other items at the top of the cutlery range will probably be made in Sheffield, Mr Novak says. "But everything that cannot be manufactured competitively in the UK will be sourced from wberever in the world it can be."

The aim will be to take Viners more into the fashion business and to use its name on a much wider range of home and kitchen equipment—everything from wall can-openers to stainless steel breadbins and garden tools.

Mr Peter Warner, who headed Viners International, the company'a Hong Kong operation, has already jained Trafalgar and has produced a report on the prospects for the new subsidiary.

It calls for much more clearly defined marketing of brands, more extensive use of the Viners name, more efficicnt overseas procurement and a "totally incentive orientated approach to marketing."

Mr Novak says popular cutlery lines such as Love Story, Studio and Harvest will be retained, but new up-market ranges will be introduced and old Viners designs from the 1920s may be revived.

Since the Novaks bought the Viners name, they say they have been inundated by calls from stores all over the country.

The Novaks say that Mr Ruben Viner, former president of the company, has offered to support the project financially and that a member of the Viners family is likely to be asked to join the board.

"We built our company up very carefully from nothing and we have no intention of putting that at risk," says Mr Melvyn Novak, as he looks for a suitable place in his office to hang the Royal warrant given to Viners as suppliers of cutlery to King George V.

Ashley Ashwood

Mr Melvyn Novak (left) and Mr Leon Novak, chairman and managing director of the Trafalgar Group.

Unofficial strike disrupts trains at King's Cross

By David Goodhart, Labour Staff

TRAIN SERVICES from King's Cross in London were expected to return to normal tnday after a 24-hour unofficial strike disrupted services yesterday.

The strike, by 500 guarda and 200 drivers, did not hold np some trains crewed from other depots.

Union officials allege that members recently have been subjected to "a reign of terror" by local management. Yesterday's ection was sparked by the suspension of a driver.

Mr John Marks of the National Union of Railwaymen said: "Management has been seeking deliberate confrontation with train crews' representatives by both ignoring them and going back on many agreements."

● British Rail confirmed its commitment to the closed shop at an informal meeting with the three rail unions.

The meeting was called to discuss the effects of the 1980 and 1982 Employment Acts on the indnstry'a closed-shop agreement. Attempts by rebel members of the Natinnal Uninn of Railwaymen to set up a Federation af Professional Railwaymen following resignations after last year's strike were discussed.

BR said after the meeting: "We do not wish to elter the present agreement or extend recognition rights to further organisations." BR acknowledges, however, amendments may have tn be made in the light of the new legislation.

Mr Norman Tebbit, Employment Secretary, has said that hallots on existing closed shop agreements would have to begin after November 1, 1984.

Civil servants' claim dismissed as 'unrealistic'

By Ivo Dawnay, Labour Staff

TREASURY negotiators dismissed a joint union pay claim yesterday for 530,000 white collar civil servants as "utterly unrealistic."

Mr Peter Le Cheminant, deputy secretary in charge of Civil Service pay, said in a statement that the full cost of the claim would add £700m to a wage bill estimated at about £4.2bn, a rise of 16 per cent.

As expected, the Treasury emphasised that "market forces" facters, such aa the ease with which staff could be recruited, had not been taken account of by the unions. Nor had the need for pay settlements to be below tha level of inflation.

The Council of Civil Service Unions values its claim for a minimum rate of £85 weekly, flat increases of £12 a week for lower-paid staff, 10 per cent rises for middle-ranking groups and substantial awards for senior grades, at about 10.5 per cent.

Jobs alliance call

A EUROPEAN alliance to defeat unemployment was called for yesterday by Mr Moss Evans, general secretary of the Transport and General Workers Union. He was addressing an international trade union rally in Brussels, Our Labour Staff writes.

'Yes' to 4.5%

THE NATIONAL Union of Pnblic Employees which represents more than 400,000 of about 1m council manual workers has accepted formally the 4.5 per cent pay offer to manual workers.

The offer is likely to be accepted by the other main union, the General, Municipal, Boilermakers and Allied Trades Union.

BT in new technology pact

BY OUR LABOUR EDITOR

A RADICAL new technology agreement affecting 36,000 British Telecom clerical grade staff bas been accepted by the Civil and Public Services Association's posts and telecommunications executive.

The two-year agreement provides for full union co-operation on the introduction of new technology in return for no compulsory redundancies. The deal was accepted after branch consultations produced a two-to-one vote in favour.

The executive first recommended acceptance last November but after a management circular was leaked which union officials felt cast doubt on the commitment to the redundancy clause, the branch consultation was suspended.

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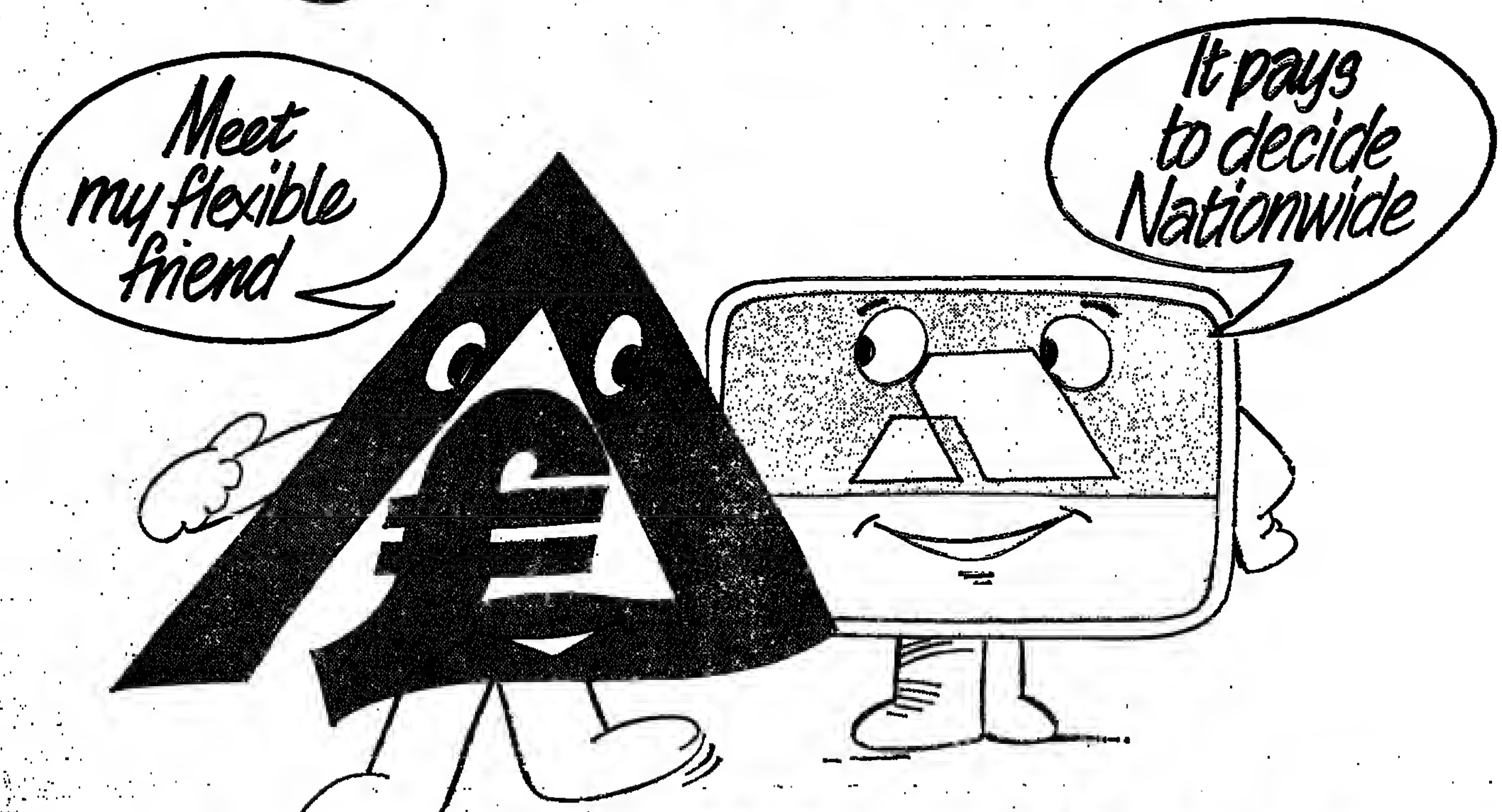

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THE WEEK IN THE MARKETS

Shares stay firmly on the boil

LONDON
ONLOOKER

THE London Stock Market was up and running for much of this week. The FT Industrial share index was soon hitting record levels with only momentary interruptions for some profit-taking.

A firmer sterling brought a return to lower interest rate optimism which with economic considerations kept the pot on the boil. Gilts also gained ground helped by the signs from the U.S. that interest rates there might also be heading down again.

News of a further fall in the inflation rate was a further spur to trading yesterday taking the FT Industrial index to a record 662.5, up 18.5 on the week. Sterling also remained healthier at $1.5445, but the trade-weighted average slipped 0.1 to 80.9.

Meanwhile last week's removal of South Africa's dual exchange rates prompted a further boom in gold shares which took the FT Gold Mines index, at one stage, to a record 712, nearly 2½ times the level of a year ago.

Daring Ultramar

With the oil market in disarray and the spectre of Britoil still haunting the City, it was a brave Ultramar that this week announced the second largest rights issue ever launched by a UK oil company.

This independent British concern is to raise £108m by way of an underwritten one-for-four rights issue of 27m shares at 400p each. There had been talk of such a move for some time and the shares had been slipping from the previous week's level of 528p ahead of the news. At one stage after the announcement they fell to 468p but later recovered a lot of ground.

The current three-year £700m investment programme had looked likely to push borrowings to over 70 per cent of shareholders' funds. Therefore a rights issue was an obvious move to contain gearing at a reasonable level.

It comes eight weeks before Britoil calls in the outstanding £293m on its partly paid shares. Ultramar's issue has been underwritten (all but for the 5.5 per cent held by Consolidated Gold Fields) by Morgan Grenfell, one of the six merchant banks that underwrote the ill-fated Britoil offer in November.

However, the Ultramar issue is accompanied by an estimate of a more than 10 per cent advance in pre-tax profits to not less than £100m for 1982. This would represent just an easing of the pace of the company's meteoric rise towards the big league.

There is also a promise of an increase in the final dividend, taking the total from 13p to 15p, a level which the company hopes at least to maintain for the enlarged capital in 1983.

Last year's success in a tough economic climate stemmed chiefly from the Indonesian oil and gas operations. Progress here offset the setback in refining and marketing.

The doubling of the capacity of the liquid natural gas plant in Indonesia, together with the benefits from other projects in Quebec and the North Sea, could push profits up by half over the next two years.

The new money will strengthen the balance sheet and put Ultramar in a better position to broaden its geographic spread particularly in the U.S. and UK. But pricing the issue was difficult with oil stocks currently underperforming the current bull market.

Imps jumps ahead

Full year profits from Imperial Group this week were right on the button as far as City forecasts were concerned but the perennial optimists amongst the inhabitants of Throgmorton Street were disappointed that the dividend was left unchanged. The share price, which had been moving fairly steadily upwards since mid-1981, shed a few pence on the results though really the group's "new" management has delivered all that could reasonably have been expected.

For years Imperial has been overdistributing to its shareholders and now the emphasis has been shifted towards a more conservative approach to dividend cover, up from 1.7 to 2.2 times historical cost earnings. Even so, allowing for extraordinary charges, Imps has not been able to hold the payout unchanged without some depletion of reserves despite a £48m jump in pre-tax profits to £154m.

Under the fresh stewardship of Mr Geoffrey Kent, the chairman, Imps undertook a major shake up last year, especially in the food division. Out went a number of businesses, all at a hefty book loss and with the combined rationalisation costs of the tobacco division extraordinary charges of £66.8m wiped out the year's earnings.

Efforts to smarten up returns from food are evident in a profits rise from £7½m to £32m in this division on sales an eighth lower at £1.09bn. The major disposal of the poultry operations is largely responsible but there was still a good underlying increase—12 per cent—from the ongoing food businesses.

However it was the core tobacco operation that really got the profits line moving. It is no secret that Imps has focused more on margins than market share. Tobacco profits are up from £147m to £191m in a market that saw UK cigarettes volume fall 8 per cent while Imps' share fell three points to 46 per cent.

Brewing and leisure also performed soundly but in the U.S. Howard Johnson was hit by the continuing recession and profits slipped from £21m to £16m. Still, Imps seems to have got to grips with the company and a better 1983 is expected.

The City is already thinking in terms of £175m profit for this year and there really ought to be a dividend increase. There is just one possible snag to counter the general enthusiasm. Imperial has a sound balance sheet—strong enough to consider acquisitions. Judged on past record the market may have some reservations about Imp's ability to pick potential winners.

Toy problems

There was trouble in Toyland a decade ago. But few people then could have foreseen just how rapidly disaster was to overtake so many famous British names in the playroom.

This week one of the few apparent survivors was added to the fatality list when a receiver was called in to the Harbutt's Plasticine maker Berwick Timpo. Losses in 1982 had reached £2.3m, some £1m more than expected.

The company's shares were suspended at 5p on Thursday valuing it at only £280,000. A 15p fall in the price the previous day has attracted the attention of leak-conscious Stock Exchange officials.

Recession, a declining birth rate and slow reactions to a changing demand have been the ingredients of failure for many toymakers. Dunbee-Combex-Marx collapsed in 1980 and since then Airfix, the plastic kit concern, and Lesney, the Matchbox cars company, have disappeared.

Others, like the games and toys companies John Waddington and J. W. Spear were in loss in the first half of last year.

Mettoy last year pulled itself from the brink by selling off a large stake in its computer company, Dragon, to contain borrowing. Ironically it is to a large extent imported computerised games that have undermined the homebased traditional toy makers.

This week Mettoy, the Corgi models manufacturer, reported that 1982 losses would top £4.2m but it is raising £3.1m by making a three-for-four underwritten rights issue at par, 25p. The shares fell 3p to 36p on the news.

Debt currently exceeds shareholders' funds but the new money is intended to fund new developments.

The nails in Berwick's coffin were disappointing Christmas sales and operating inefficiences. Of course receivership need not be the end of the line, except as far as the shareholders are concerned, and many nostalgic names may still live on, albeit under different ownership.

Lonrho upset

The would-be white knight of the business world, Lonrho, this week revealed that its own castle was not as well furnished as it had been. Taxable profits for the year to the end of September dived from a restated £111.6m to £75.1m and the group is paying a less rosey-looking total dividend.

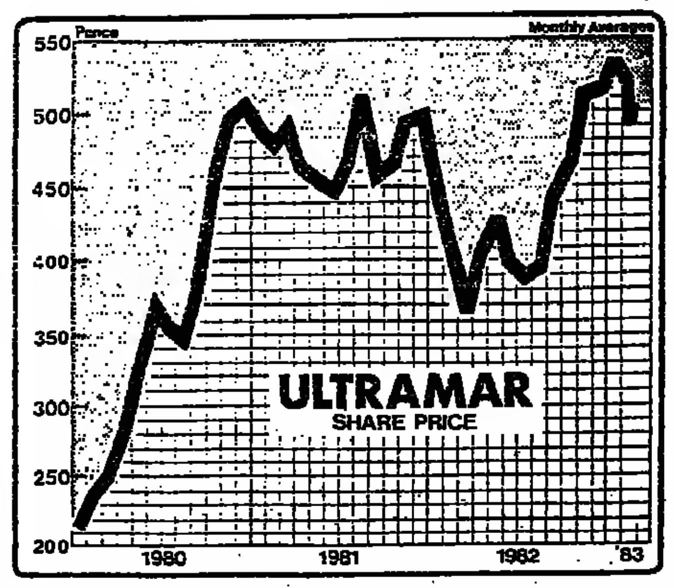
At the same time debt has continued to soar and, at £580m, (including confirming loans) now exceeds shareholders' funds even though these have been increased by £60m on revaluation of hotels and property.

The action on the dividend front is less obvious. A 5p final, compared with 6p last time, still leaves the total at 9p but last year there was also a 1p special payment.

Group turnover for the year rose from £2.4bn to over £3bn helped by a 50 per cent jump to £673m by associate companies, which include the 29.8 per cent owned House of Fraser, the Harrods stores group. But the contribution from the associates to pre-tax profits was down from £28m to £20.6m.

The main culprit of the setback in Lonrho's profits was the slump in world prices for precious metals and sugar. Profit from the latter, which is produced on estates in Swaziland, Mauritius, Malawi and Natal, fell from £10m to almost nothing.

But the leap in borrowings has forced the group to consider calling a halt to its heavy capital spending and investment plans, and there is a possibility that it may raise some cash from disposals.



MARKET HIGHLIGHTS OF THE WEEK

	Price y'day	Change on week	1982/3 High	1982/3 Low	
F.T. Govt. Secs. Index	78.80	+ 1.34	85.84	61.89	Hopes of lower interest rates
F.T. Ind. Ord. Index	662.5	+18.5	662.5	518.1	Strong all-round demand
F.T. Gold Mines Index	711.5	+43.0	712.0	181.2	S. Africa unifies exchange rate
Automated Security	453	+73	468	155	Crime prevention exhibition
Barratt Devs.	492	+22	492	196	Increased housing starts
Brit. and Commonwealth	740	+110	740	291	Stake in Exco
Crouch Group	108	+18	120	50	£2.5m property sale
Exco Int.	610	+178	610	172	Telerate stake
Fobel	159	+29	159	14	Revived speculative demand
Gold Fields of S. Africa	£88½	+ 6⅝	£88½	£19¼	Hopes of gold find near Kloof
GKN	144	+ 9	186	107	Recovery hopes
Habitat Mothercare	240	+24	248	105	Revised profits forecast
Land Securities	310	+17	312	242	Revived demand
Laporte	272	+25	272	122	Investment seminar
Mellins	226	+38	246	6	Speculative demand
NatWest Bank	518	−14	542	388	Rights issue rumours
North Broken Hill	153	−17	186	92	A$64m rights issue
Securicor	297	+29	300	121	Good annual results
TSL Thermal Syndicate	55	− 8	107	48	Poor preliminary results
Woolworth	206	+29	206	159	Revised profits forecast

The market rallies

NEW YORK
RICHARD LAMBERT

SO THERE we were on Thursday, twiddling our thumbs and wondering how we were going to cope with the blizzard that the weatherman has been talking about all week, when all of a sudden the bond market woke up. After weeks of inertia, prices at both the short and long end started to move sharply higher, and it wasn't long before the equity market was in hot pursuit.

There were two related stories to explain the rally. Monetary policy makers at the Fed have been meeting this week to set money supply targets for the year, and next Wednesday Mr Paul Volcker, the Fed chairman, is due to reveal all at a keenly-awaited session of the Senate Banking Committee. The rumour on Thursday was that his comments would point to further Fed attempts to stimulate the economy by bringing interest rates down further.

The bond market was also pleased with the retail sales figures for January, which were much weaker than many people had expected. A sluggish economy is normally good news for fixed interest investors, and the market had been worrying that economic recovery might soon start to push interest rates higher.

A closer look at the figures showed that if you exclude motor car sales, the retailers actually had rather a good time last month. And my own hunch is that Mr Volcker will not pull any very large rabbits out of his hat next week: it's not really his style.

The takeover scene, which has been rather quiet lately, also showed a little life this week when Goodyear, the world's biggest tyre company, made an agreed bid worth roughly $800m for Celeron, a Louisiana-based energy concern. Wall Street's immediate reaction was to mark Goodyear's shares sharply lower—which seemed to bit rough since it looked at first sight like quite a good deal. But investors have learnt the hard way to be wary of energy company takeovers. This week, three companies which have made big splashes in this sector reported on their 1982 earnings — and none of them made very bright reading.

First came Du Pont, which acquired Conoco for about $7bn in 1981, and has been trying to justify its move to analysts ever since. Its earnings last year fell from $5.81 to $3.75 a share, and the group said they would have been 1.20 a share lower still but for the Conoco deal.

The trouble is that although Du Pont's traditional chemical and fibre interests are now showing signs of recovery, the oil interests acquired through Conoco are coming under increasing pressure. Mr John Henry, of stockbrokers E. F. Hutton, thinks overall earnings this year will recover to about $4.50 a share. But he is looking for much sharper gains from other chemical groups, and says that Wall Street remains disenchanted about the big takeover.

Selling on a prospective price earnings ratio of roughly 9½ Du Pont's shares do not look like star performers for the time being.

Occidental Petroleum's bid for Cities Service earlier this year was in quite a different category. It cost a bit over $4bn, and stretched Oxy's balance sheet to the point where the whole group has come under a shadow on the stock market.

The fourth quarter figures published on Thursday show the cost of all this borrowing. Oil and gas profits are being squeezed, and interest charges have more than doubled to take a near $100m bite out of operating earnings, which fell to just $152m in the three month period. At the bottom line, a loss in the quarter cut earnings per share for the year from $7.77 to $1.72.

The third country in this unhappy trio is Aetna Life, the insurance concern which bought out Geosource, a large oil field services business at a very handsome price earlier last year. That deal now looks expensive, but the group has another problem on its mind. The Securities and Exchange Commission has ordered it to stop accounting for future tax credits in current earnings, a practice which accounted for roughly two-fifths of Aetna's earnings in 1982.

Aetna is very angry about the decision, and is planning a financial restructuring which it says will limit the damage to earnings in 1983. But the market has become unhappy with its shares in recent months.

MONDAY	1,087.10	+ 9.19
TUESDAY	1,075.33	−11.77
WEDNESDAY	1,067.42	− 7.91
THURSDAY	1,087.75	+20.33

A little explanation may help

MINING
KENNETH MARSTON

ARE YOU perplexed, or worried? Perhaps it is because you hold either South African gold shares or, maybe, those in the leading Australian base-metal issues. If so, read on and you may soon feel better.

UK sufferers from gold share perplexity may be those who are still trying to work out the meaning to them of the weekend decision by South Africa to end the dual exchange rate system after some 20 years. They will almost certainly have bought their shares using the previous "financial" rands—whether they know it or not.

Financial rands, only available to non-South African residents, were lower in value against sterling than the country's official "commercial" rands, sometimes up to 30 per cent cheaper. Mind you, when a non-resident sold and brought the proceeds home he, or she, also got financial rands.

The main advantage was that dividends paid were in the dearer commercial rands which, of course, were worth more when changed into sterling. The whole idea was to discourage foreign capital—from sales of shares and other investments—from moving out of South Africa and, if possible, to attract it to the country.

Things have changed. Helped by a big inflow of U.S. dollar revenue from the higher gold prices, South Africa has become confident enough to dismantle this cumbersome exchange control system. There is now only one exchange rate for the rand and it is below that of the old commercial rand and above that of the old financial rand.

It might seem that UK holders of South African gold shares are now worse off because their dividends will be paid in rands with a lower exchange rate than the old commercial rands.

But, effectively, South Africa has devalued the currency and this, of course, means that the mine exports of gold, diamonds, platinum and other products will bring in a higher revenue in terms of rands. So companies should be able to increase their dividends and UK shareholders should thus be no worse off.

They may be better off. The difference between the value of the commercial and financial rands was liable to fluctuate quite widely in line with supply and demand. The new simpler arrangements will provide a much more stable exchange rate and could thus attract more buyers of shares from both South African citizens and foreigners.

The most important factor remains, as ever, the course of the gold price which rose $7 to $503 per ounce yesterday. The latter needs to break the $500 level and rise further in order to justify current share prices, even though it is argued that South African gold shares are still selling on much lower price-earnings ratios than those of the North American mines.

Now to worried holders of the Australian base-metal issues such as CRA, MIM Holdings and Western Mining. On the one hand there is increasing evidence of a world economic recovery which could in due course greatly transform the fortunes of these high-calibre companies.

On the other hand their share prices have been falling heavily, despite yesterday's rally, on fears that the Australian Labor Party (ALP) will come to power at the general election on March 5. Labor has not been kind to the Australian mining industry in the past and intends, if elected, to impose a resource rent tax.

In essence it is an excess profits tax. Mr Bob Hawke, the new and popular leader of the ALP has said that the tax would only be applied after a mine had recouped all capital outlays and had achieved "normal" profits.

Just what are considered as "normal" profits remains to be seen. Such a tax can only be remotely acceptable if it is applied by those who really appreciate the cyclical nature and risks of the mining business and politicians are not noted for such understanding. Despite some popular misconceptions, the return on mining capital is relatively small in the long run.

At the moment, of course, base metal mining profits — where they exist at all — are below normal in anybody's book. But the industry is still investing in new ventures and thus providing new jobs. Mr Hawke is well aware that Australia's 10 per cent, and rising, unemployment rate is the most crucial issue there.

The other major worry is the Australian labour situation where unrealistic wage demands and constant disputes have been major factors in boosting mine costs to the point at which Australia is losing its competitive edge in world mineral markets.

The existing Liberal-National Party coalition government of Mr Malcolm Fraser is attempting to tackle the problem and Mr Hawke, if elected, will also have to do something about it. Perhaps the sharemarket's view of Mr Hawke as a bogeyman may have been overdone.

At all events, there is no certainty that the ALP will win the day. It is often the case that when a country is suffering severe economic and social pressures the voters tend to play for safety by staying with the existing government; or "the devil they know."

● Hopes that the Consolidated Gold Fields group may have found a new deep level gold mining proposition to the south-west of the Kloof mine on South Africa's West Rand have been raised following official confirmation that the drills have found a reef at a depth of 3,211 metres. The new area could be worked as an extension of the neighbouring Kloof.

● Cheering news for Rio Tinto-Zinc holders is that the Palabora copper mine in South Africa has increased 1982 earnings and lifted the dividend by 10 cents to 60 cents. It should do even better this year. In Australia the Hamersley Holdings' iron ore giant, owned as to 93.7 per cent by RTZ's subsidiary CRA, has tripled 1982 earnings and lifted its dividend to 8 cents (4.6p) from 5 cents thanks to higher iron ore prices and a favourable Australian dollar-U.S. dollar exchange rate.

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هكذا من الأصل

A year of Mr Haswell

ANYONE expecting fireworks at Thursday's press conference of the Insurance Ombudsman Bureau, was disappointed. The 1982 annual report of the Bureau contains no sweeping condemnation of the insurance industry, no accusations that insurance companies have been trying to avoid paying claims, either from the Omhudsman himself, James Haswell or from Joan Macintosh, chairman of the Council of the Bureau.

Joan Macintosh, when she wears other hats, is vice-chairman of the National Consumer Council and Hon. President of the National Federation of Consumer Groups. But in the preface to the report she emphasises that the Ombudsman is an adjudicator not a consumer advocate. Apparently some complainants are upset when they find that the Omhudsman upholds the decision of the insurance companies.

His impartiality is borne out by two significant features of 1982. One is the large number of insurance companies, large medium and small, which joined during the year having satisfied themselves that the Ombudsman was not going automatically to award against the company. A brief talk with James Haswell at the outset would have swept away any doubts long before.

The second telling factor is the results of the complaints The Ombudsman adjudicated in 179 cases last year and in only 38 did he revise the insurance companies' decision. In the remaining 141, he confirmed the judgment.

In 298 cases he did not have to adjudicate. The insurance companies concerned improved their offer after being consulted by the Omhudsman. His style is first to point out the facts to tha insurance company and allow time for them to reconsider, not to impose his authority at the outset.

It is also interesting to note that 221 cases were not followed up by the complainant. Presumahly the explanation given by the Bureau satisfied them. Indeed, a primary function of the Bureau is to provide an independent, impartial advisory service, explaining the situation to the complainants.

It is clear from a detailed reading of the report that Mr Haswell feels that there is much that insurance companies and policyholders can do to avoid complaints and misunderstandings. The various causes of complaints received hy the Bureau indicate several areas of weakness, which insurance companies could improve.

He warns insurance companies to be very careful in their wording not only of policy documents, but of proposal forms and of their promotional material. He is not a 100 per cent supporter of the move for shorter proposal forms or plain language policy documents.

Shorter proposal forms are resulting in complex questions that confuse. While supporting wholeheartedly clarity and *simplicity he* warns that the policy is a legal document where accuracy is of paramount importance.

The summary of the Ombudsman's decisions show that many policyholders simply do not understand their insurance contracts and consider that they are covered for every eventuality. Some no douht simply try it on to see if they can get soma payment out of the insurance company.

For example, he ruled that vibration from a passing train which caused a plate to fall from a shelf was not as claimed "impact by a train." More seriously he held that a policyholder who did not observe special security precautions under his household policy could expect his claim to be paid.

On the other side he decided that a company wishing to avoid a policy on grounds of disclosure had to show on balance of probabilities that the policyholder was aware of material facts.

● Copies of the report and any other information on the Insurance Ombudsman Boreau can he obtained from 31 Southampton Row, London WC1B 5HJ.

Eric Short

Dicing with the bank

THE SEARCH for higher interest than on an ordinary deposit account is *not* always a happy one. The experience of one reader Michael Baynes from London is a case in point.

Baynes was looking for a temporary home for a five figure sum and decided to put the funds with Barclays' Treasury Department on seven days notice. He assumed that the rate would change in line with the movements in the wholesale money markets but things did not work out like that.

Baynes says that "I discovered by chance that new depositors were getting a higher rate than I was." So he complained to Barclays and the rate on his funds was increased but not, he says, to the level offered to new depositors.

When he tried to obtain written *guidance on the conditions* for the seven day notice account where the minimum deposit is £10,000 nothing was available at his branch. He says he was repeatedly told when he complained that the account was for professionals rather than ordinary customers.

I rang Barclays Treasury Department and was told that the onus was on the depositor to ask for a new rate if he was unsatisfied with the existing return. Unless either the hank or the customer decides it wishes to alter the rate, then it will remain unchanged. Naturally the hank will not forget to cut the rate if the market eases, hut it will not raise the return if market levels improve.

Barclays say: "If the customer is not satisfied, he can ask for a new quote. This account is for professionals. It is dangerous if non-professionals use it and have not got the time to look at interest rates each day. Interest rates move quickly and within a few days the rate on the account can get out of line."

So where should *ordinary customers* with more than £10,000 put their money? Barclays suggest its seven day fixed account where the rate changes at the end of each week. In this case customers have to decide each week whether they wish to leave the money in the hank or withdraw the funds.

Michael Baynes is not very impressed by Barclays' explanation. After shopping around he has discovered he can get a better rate elsewhere and also be sure that his return will rise and fall in line with wholesale money market rates.

His last word on Barclays: "Without wishing to be too unkind, this reminds me of the famous crap game in 'Guys and Dolls' when gamhler Big Julie proposed to roll his own dice—which had no spots."

Rosemary Burr

A change of trustees

I refer to "Finance and the Family," December 11, 1982, "A change of Trustees," and shall be glad to know are your recommendations the same in my wife's case? My wife, B, has three insurance policies (one maturing August 1984, and two whole life) under the MWP 1882 in trust for P (me) and our two daughters, in such shares as B may determine by Deed, Will, or Codicil. The Trustee Department of of B's bank and P are trustees for all three policies. B would like the bank to retire as co-trustee with P and to nominate P, X and Y instead, X and Y being the two sons-in-law.

By Section II of the Married Woman's Property Act 1882 the power of appointing new trustees is vested in tha insured during her life. B can therefore appoint X and Y as new trustees to act with P and the Bank, by a memorandum onder her haod. She cannot, however, require the Bank to retire, hut must persuade it to do so.

Deductible expenses

In 1967 I hought a Lucien Pissaro which I recently gave to a grand daughter. She sold it through a London dealer for U.S.$10,000 delivered in Switzerland which meant paying transport costs, import tax and London commission.

The CT Office says "the market valne of an asset for *CGT, CTT* and *Estate Duty* has been judicially interpreted to mean the gross sale price, without dednction for the costs that might be involved in such a sale." Is this true?

We think that the market value would not be assessed by deducting from the gross price notional expenses on sale where no sale has yet occurred. Thus to assess capital taxes on the gift by you to your daughter the expenses incurred by her subsequently (on sale by her) are not deductible. However, by Schedule 10 of the Finance Act 1975, paragraph 6, there can be deducted any expense actually borne by her in respect of the transaction, viz of the gift to her.

VAT for non-resident

I am a non-resident of the UK and have two prohlems: (1) a surveyor applied for planning permission on my behalf. A solicitor in UK arranged for transfer of land I owned. Am I liable for VAT on the fees of the surveyor and solicitor? (2) Am I liable for UK Income Tax on deposit interest received from a UK bank?

Neither of the charges to which you refer are zero rated for VAT purposes even if you are not a resident of the UK. This is because there are special rules which apply to services relating to land situated in the UK.

You will not be liable to tax on your *deposit interest*.

Zero coupon U.S. bonds

Could you please enlarge on your reply under Zero coupon U.S. honds (January 15)? The Inland Revenne's press release on June 25 1982 indicated the intention to introduce legislation which will render the gains realised on the sale of these bonds liable to Income Tax, when the transaction takes place after April 5, 1983. However, for sales made up to that date, do not the present regulations permit the gains to be treated as Capital Gains?

Although the reply published on January 15 was written in December, it does not need significant revision in the light of the consultative paper on the Tax Treatment of Deep-discounted Stock which was issued on January 12. Paragraph 29(a) of the new paper suggests that the best future tax regime for foreign zero-coupon bonds "would he similar to the current treatment of foreign stock, under which profits . . . . on disposals are brought into account under case V of schedule D." The fact that *discount* realised on the sale (or redemption) of foreign zero-coupon bonds is taxable as income, under case V, has been clear since the judgment in Lomax (Inspector of Taxes) v Peter Dixon and Son Limited, nearly 40 years ago.

A chargeable gain (or allowable loss) may accrue in addition to the case V assessment, subject to the wasting-asset provision.

If a foreign zero-coupon bond were sold for less than cost price, the transaction would fall exclusively within the scope of CGT, since there are no relevant loss-relief provisions in the case V rules (and concessions).

The June press release was primarily *concerned with* UK zero-coupon bonds etc.: this is one of the fields where UK income is taxable on quite a different basis from similar income arising overseas. This discrimination between domestic and foreign income is a relic of income tax's 19th century origins (like the treatment of married women's income), and it is to be hoped that fundamental reform of the inequity is not too far away.

FINANCE AND THE FAMILY

BY OUR LEGAL STAFF

No legal responsibility can be accepted by the Financial Times for the answers given in these columns. All inquiries will be answered by post as soon as possible.

Information for a receiver

About 20 years ago the Official Solicitor took over the estate of my father which amounted to about £1,000 in investments and a terraced property. The Official Solicitor was acting as Trustee to my mother who is handicapped.

They have asked me to take on Receivership and I have applied to the Court of Protection to do this. However, I have asked for a draft final account and until now they have refused on the grounds that this is privileged information to tha Court.

I am told there is no money left in the estate and the property has been allowed to fall into a bad shape. The tenant of the property says she has withheld rent because of the lack of repair.

The Court Order calls for an indemnity of £1,500 hut I have reason to believe the liabilities exceed the income. I have told tha Official Receiver I will not pursue the application unless I have the full facts which they seem reluctant to disclose. What are my rights?

We think that you are fully entitled to refuse to act as receiver without first being apprised of the full facts, and that you would he imprudent to do otherwise. The Official Receiver can be invited to apply to the Court of Protection for directions enabling him to disclose the relevant facts to you.

Gold coinage and VAT

I have some Krugerrands purchased in UK, two years ago, and some old gold sovereigns I have had for years, also some mint gold sovereigns purchased in March this year in the UK (hefore VAT). What is the effect when selling of the VAT?

There is no VAT problem in connection with the sale by you of gold coins. You will not be selling them as part of a business and therefore will not be required to account to the Customs and Excise for any part of your sale proceeds. The difficulty arises in connection with the purchase of such coins from a VAT registered trader. He has to account to the Customs and Excise for part of his sale proceeds and will increase his price by reference to the VAT payable by him.

YOUR SAVINGS AND INVESTMENTS—2

John Edwards reports on how to invest in commodities

High risk for big spenders

SPECULATIVE interest in the commodity markets has been aroused again by the recent surge in the price of metals, led by gold, and other commodities, like cocoa. In spite of the warnings about the "jungle" conditions facing unwary speculators the desire to jump on the bandwaggon of the supposed commodity boom appears to be growing strongly.

The best advice to anyone contemplating going into commodity speculation for the first time is: don't. It is estimated that over 80 per cent of private speculators in commodities end up losing money.

It is a highly risky business even with the most respectable companies let alone the more dubious brokers who offer the promise of large profits which can very quickly turn into even larger losses. Above all, commodity speculation is not for the small investor since the odds are heavily stacked against him.

Buying the actual metal or commodity is, for the outsider, either impractical, or costly. Storage, retention of quality, and insurance are just some of the problems. It is possible, and practical, to buy small, easy-to-store, quantities of precious metals like gold, platinum and silver from dealers. But the price charged for small quantities is heavily loaded and the spread between the amount charged by the dealer to sell compared with the buying price is often very wide because the dealer is in a strong position to dictate the terms. In addition with coins and ingots there is the problem of Value Added Tax.

The VAT problem can be circumvented by, for example, holding the coins in a tax haven. But this increases the risk and cost. Even with the popular Krugerrand, the price of gold has to move up quite considerably before the small investor reaps a reasonable profit.

There are two other basic ways of getting involved in commodities. One is speculation directly on the futures markets; the other is through funds—the commodity equivalent of unit trusts.

The attraction of futures is that only a margin—on average around 10 per cent of the total outlay—has to be put up to trade. Thus £10,000 can be used to speculate in futures worth £100,000. This gives tremendous leverage and means that big profits can be made for a small outlay. But it also magnifies in a similar way the losses that can be suffered—hence the many stories of unsuspecting commodity speculators losing their shirts.

The fact that the Texas billionaire Nelson Bunker Hunt and his family had to borrow $1bn to meet their margin calls shows that even the biggest punter is vulnerable. What is not generally realised is that the margin, charged essentially to protect the broker from client losses, has to be continually topped up if prices are moving the wrong way against the investor. It is not often appreciated that to retain the original margin, the client has to pay up 100 per cent of losses incurred. These can add up frighteningly quickly in fast moving markets. If the margin is not topped up on request immediately, the broker instantly closes the position out using the margin money to cover losses suffered.

Weighing tea in Uganda

The biggest single trap for outsiders is undoubtedly the frequent failure to anticipate the scale of the potential losses, over and above the margin, that can be suffered if things go wrong—which they can with frightening speed. Many small investors may get the long-term trend in a market right but be wiped out by unpredictable short-term fluctuations simply because they haven't sufficient resources.

It is generally agreed by London brokers that a minimum of between £5,000 to £10,000 of "risk" capital, which the client can afford to lose without hardship, is required before he should even contemplate going into futures trading. Some companies require a great deal more as a minimum before they are prepared to take on a client. It is a big money business.

The other major problem is choosing the right broker. Normally the only advice given by banks when approached about commodity futures trading is to suggest that the customer takes his account elsewhere. Stockbrokers are not much more help. They don't like to lose potential business to the commodity markets, where they are faced with "splitting" meagre commissions and are usually out of their depth.

The London Commodity Exchange does provide a list of its members who are prepared to take on private client business. The London Metal Exchange only provides a list of its members, many of whom are not interested in handling private speculation. Nevertheless it is much safer to deal if possible with companies which are members of the official futures exchanges, since they have reputations to maintain and can be disciplined by the exchanges concerned.

In the main it is the non-members of the exchanges, allowed to set up freely with no accountability, who have been primarily responsible for the serious losses suffered by the public. There have been some exceptions, however. It should also be remembered that many employees of respectable broking houses are paid on the business they generate, so they have a vested interest in "churning" (persuading the client to overtrade in order to increase commissions). The client has two choices with the broker. One is just to give him the money and let him make the decisions. This discretionary account is, of course, ripe for picking if the broker is at all unscrupulous. Alternatively the client makes his own decisions, not only what to buy and sell, but also when. Advice from the broker can be taken or disregarded; it probably makes little difference.

Many speculators rely on computer systems, or charts, to make their decisions but these are no guarantee against losing money. They require tremendous discipline and a long pocket. Another method is to speculate via options. This is safer in that the amount of risk is limited to the premium paid for an option to buy or sell a futures contract at a known price. But essentially the buyer of the non-transferable option favoured in London starts at a disadvantage by "losing" the premium which has to be made up later. The outside speculator also has to be very careful about the premium paid, since there are no officially published rates. A check with several brokers on option premiums is as useful safeguard.

Commodity funds come in two distinct types. The authorised, UK-based, unit trusts have to deal in commodity related company shares only. Legislation in this country prevents them from owning commodities directly. Unauthorised funds, based in tax havens, however, trade either in physical commodities or more likely in the futures markets, where a skilled manager can make the most of large resources and the leverage available. The volatility of the markets, and the leverage, imply high risk, but this is compensated for by the prospect of an above average return on capital.

Funds are attracting an increasing amount of support both from private and institutional investors. For the small, private investor the outlay involved can be relatively modest, and most funds now guarantee that the investor is only liable for the amount put up—but that should be checked. A great advantage is in taxation, since the speculator has a much greater chance of only paying capital gains tax, since he is basically investing in shares not the commodities. For institutions' funds offer a way of putting part of their portfolio into raw materials, with a limited liability and no necessity to acquire the special expertise needed to trade futures successfully. The disadvantage of funds is that their performance depends very much on the skill of the manager, and they are open to all kinds of additional "hidden" charges—front loading, management and audit fees, as well as excessive commissions.

On balance properly constituted offshore funds—run by respectable names—are probably the best and safest bet for the outside speculator in commodities. But the potential return is greatly reduced compared with trading futures on margins and so is the excitement.

MUSTS FOR FUTURES *TRADING*

- Use only risk capital you can afford to lose. A minimum of £5,000-£10,000 risk capital is required. Otherwise stick to options or funds only.
- Be very disciplined in your trading, cutting losses quickly. Preferably use a recognised trading system and stick to it rigidly.
- Make sure you deal through a reputable broker, who is a member of the London Commodity Exchange, Cereal House, 58 Mark Lane, London, E.C.3; London Metal Exchange, Plantation House, Fenchurch Street, London, E.C.3; London Gold Futures Market, 3rd Floor, East Wing, Plantation House, E.C.3; London Grain and Feed Trade Association, Baltic Exchange Chambers, 24-28 St Mary Axe, London, E.C.3.

Tim Dickson reports on Start Up funds

Backing the high flyers

PRIVATE investors will soon get another chance to back the potential high flying companies of tomorrow—and at the same time shelter some of their highly taxed income. But before they succumb to what will undoubtedly be a tempting opportunity, they should also carefully consider some of the possible drawbacks.

At least three new funds taking advantage of the generous provisions of the Government's Business Start Up Scheme, are expected to be launched in the next two to three months and certainly one big name will be among them. Electra Investment Trust, for example, whose £8.7m Electra Risk Capital (ERIC) is currently the biggest in the field, has already said it is giving "serious consideration" to a follow up launch.

The Business Start Up Scheme was introduced in the 1981 Finance Act and modified a year later. In a nutshell—the full conditions run to more than 20 pages—the scheme gives individuals tax relief at their top marginal rate on investments in a new company up to £20,000 a year. "New" is defined as up to five years old, financial businesses are among those excluded, while the shares have to be held for at least five years to qualify for relief.

The provisions are nevertheless generous by any standards—they mean (taking the best possible case) that the net cost of a £10,000 investment to anyone paying 75 per cent tax is only £2,500.

The scheme was designed primarily for Aunt Agatha—or her rich doctor and dentist—to make equity commitments on their own account. But conscious that individuals might have few opportunities to meet the right entrepreneur, the Government late in the day made provision for what are known as Approved Investment Funds (AIFs). These Funds are run by professional managers who act as intermediaries between the individual and the cash seeking businessmen, although shares in each of the companies they back are owned beneficially by the investors.

According to the Inland Revenue, there are now 10 AIFs in the UK with combined capital resources of roughly £15m. Beside ERIC most of them are tiddlers and due as much as anything to the unwillingness of professional advisers to come to grips with the legislation and the marketing restrictions of the Prevention of Frauds (Investments) Act recent offers have drawn a disappointing response. The Colegrave Fund, for example, initially aimed to pull in £3m but in the end only managed to raise £525,000.

All except the Midlands based Mercia Venture Capital—which is open ended—are now closed to new investors. But with new promoters clearly believing that the demand is still there new opportunities to invest will shortly be announced.

The first point to remember is that tax relief is not available until companies in which the money is invested have been trading for four months. (On past experience managers make their investments in stages stretching over perhaps a year so the relief is effectively staggered). A subscription to a fund launched between say now and the end of the ... certainly not be offsettable against 1982/83 gross income.

Whatever the tax benefits, investors should not forget that their money is still very much at risk. New businesses are always vulnerable and while an AIF is professionally managed and by its nature has a spread of companies, some of them will inevitably fail. The failures indeed are always likely to appear before the successes as the liquidation of Carnival Ceramic Industries—one of the companies in the First Basildon fund — vividly illustrates.

Some observers have also suggested that fund performance may suffer because of the obvious pressure on managers to invest the money quickly. (The sooner this happens the sooner relief is available). One fund adviser admitted, "My feeling is that while decisions may be commercially justified at the time, some managers would certainly prefer to be able to wait until better opportunities cropped up."

The manager of a leading institution-backed venture capital fund, meanwhile, believes AIFs could be "in danger of devaluing venture capital currency." He points out that because of the relief highly taxed investors can still make a respectable gain "even if the fund makes a loss."

The same commentator is also worried that small AIFs do not have sufficient resources to help rapidly expanding companies which come back for a second or third capital injection. In this context it is notable that ERIC, which hopes to have invested £8m in about 35 new ventures by the end of this tax year, is holding back some £600,000-£700,000 specifically for such a purpose.

To overcome some of these difficulties Patrick Taylor, a partner with accountants Coopers and Lybrand and an expert on the Start Up Scheme, feels that tax relief should be available when money is committed to the fund ...

YOUR SAVINGS AND INVESTMENTS—3

Rosemary Burr explains why you may not get that loan

Giving credit where credit is due

A MAN walks into the bank manager's office and asks for a loan to buy a second-hand Jaguar. He is a part-time worker, living in free accommodation and unable to give his telephone number. Would you lend this man the money?

If *this information were run* through a computer, the chances are—according to a report published this week by *Which?*—thet the answer would be "possibly." But what if you knew the man was Prince Philip? *Which?* assumes you would automatically want to say "yes" to his request.

Which? uses this example to back up its conclusion that deserving applicants may ba starved of loans because credit rating systems are "too mathematical and precise."

Under e computerised credit scoring system potential borrowers are rated according to such factors as age, employment record, accommodation and financial liabilities. Points are given for each factor, and loans are then granted to those applicants with a *score in the right* band. *Which?* says the system gives "a spurious impression of perfect accuracy."

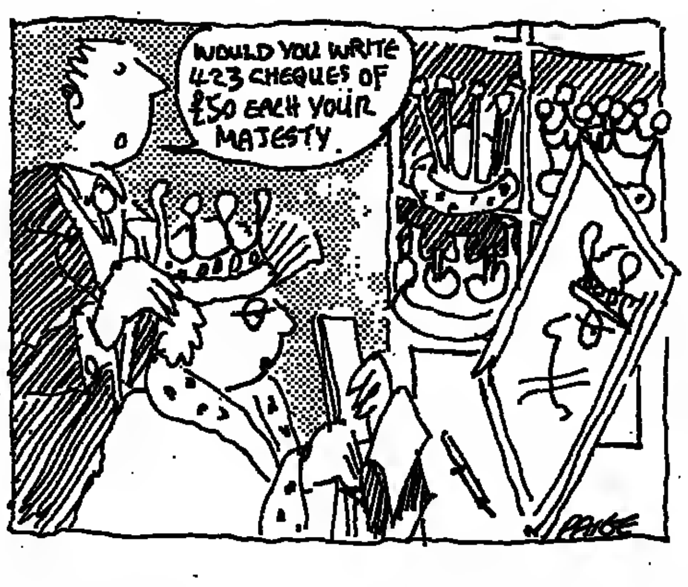
While *Which?* magazine accepts that credit scoring has a respectable role to play, it is using this Royal example to highlight the need for certain safeguards.

In September the Offices of Fair Trading (OFT) suggested that there should be a code of practice for credit scoring and invited users of the system to respond. The OFT argues that credit scoring benefits both the customer and the borrower but there is "a risk that some people may find themselves unfairly refused credit as traditional methods of credit assessment are replaced by more automated credit scoring systems."

Not surprisingly those companies which use credit scoring are quick to defend the practice. Mr Basil Damer, director secretary of the Finance Houses Association, says "I feel a lot of the disquiet is based on ignorance and any consumer organisation perpetuating that disquiet ie doing a disservice to consumers."

National Westminster, which two years ago introduced credit scoring when assessing personal loans, argues *that* it "allows us to say yes, rather than no."

The bank thinks credit scoring is a cheap and quick method of assessing credit worthiness *and means* the *customer* can shop for a loan by post rather than having to take time off from work to see his bank manager. NatWest says that if someone's credit score does not add up to the right number of points then the decision would be back in the lap of the manager, who would probably arrange a meeting.



Basil Damer edds: "All the evidence available suggests that credit scoring techniques make credit eveilable to e wider range of people than purely judgmental techniques." Also be stresses that "for large companies credit scoring is necessary to use on the grounds of cost."

Credit scoring was developed in the U.S. and is increasingly used in the UK by mail-order operators, credit card companies retailers and finance bouses. The clearing banks, however, have generally tended to shy away from its use claiming that they base their lending decisions on personal knowledge of the customer.

The OFT is now sifting through the responses of various associations but no decision is likely to emerge until April. Some finencial institutions fear the OFT will step in and tell them exactly how to quantify various factors when totting up credit ratings. At the moment there is no uniform rating system or way of compiling sucb ratings. Instead each organisation bases its credit scoring on its previous lending and bed debt experience.

The OFT seems particularly concerned that people should be seen to be receiving a fair deal and puts great play on flexibility. Among the *points* for discussion are:

Guidance. Should there be a code of practice prepared by the industry in consultation with the *OFT?* Alternatively, should the OFT produce guidelines? If so, what should be included?

Information. Should consumers be told when a credit scoring eystem is being used?

Overriding. Should the system include a provision for overriding the ruling based on the credit score in marginal cases?

Reason. Sbould customers be told why their application was refused?

Vetting. Should an independant body vet all new systems to ensure they do not discriminate on grounds of sex or race?

The issue is unlikely to go away. In the meantime the best thing to remember is to shop eround for a loan. As companies operate different scoring systems, you may pass mnster under cne but not another.

If you are turned down, ask why and don't be put off with a glib reply.

Your stake in £275m

HARD ON the heels of my *article last week about* the growth in higher interest accounts comes news of a new money market fund. The latest addition comes from the stable of the money brokers Tullett & Riley.

Last year the brokers hired David Hagan, an accountant who has worked in the City for 13 years (latterly with another sizeable money broker) to set up a subsidiary offering cash management vehicles for the public.

The first of these to come off Hagan's drawing board is the money market trust which offers depositors a rate of interest just beneath that of wholesale money market rates. Next in line will be a multicurrency roll-up fund based in Jersey which should emerge this autumn.

Tbe money market trust is managed by the brokers' new subsidiary Tullett & Riley Money Management, a licensed deposit taker. The money market trust consists of a sterling call fund, where sums are available on demand, and a sterling 7-day fund, where a week's notice is required before money can be withdrawn.

Interest is credited pro rata to eacb depositor in both funds on a daily basis. A management fee of ½ per cent per annum is deducted. The daily rate of interest of each fund is published the following day in the Financial Times.

The minimum deposit in the call fund is £10,000 and that in the seven day fund is £2,500. If clients' balances fall below these floors the managers may insist on *repaying the customer* the whole of the deposit.

The money market trust is similar to those run by Simco, a subsidiary of money brokers Mercantile House, and Malinhall. There is no debtor/creditor relationship between Tullett and Riley Money Management and the depositor. Clients retain beneficial interest at all times in the underlying investments.

In line with the Bank of England's unofficial edicts on money market funds, the assets are invested in low risk paper and are matched at all times. Loans by the call fund, for example, are made only at call or overnight.

The funds are audited quarterly by *Spicer & Pegler*, an independent firm of chartered accountants. Tullett & Riley Money Management bas deposited a sum sufficient to satisfy the Bank of England in the fund. This sum is subordinated to the rest of the deposits, whlch ensures that in the unlikely event of things golng wrong the managers would be the first to bear the brunt of the financial pressure.

More money funds are likely to emerge over the *next few* months. So far, bowever, no British stockbroker bas followed the example of his American cousins and launched a fund linked to an equity investment service, so that an investor could easily switcb in and out of the equity market.

There is now about £275m in money market funds and higher interest rate deposit accounts offered by licensed deposit takers or banks. Save and Prosper's higb interest account launched last month is attracting £3m a day and has reached an impressive £50m already.

Rosemary Burr

Mouseholes revisited

LAST SEPTEMBER, an article in these columns referred to the Inland Revenue's attitude to life assurance tax avoidance schemes, under the heading of the "parable of two mouseboles." The simple story was that if there were two mouseholes next to eacb other, then both must be blocked up in order to keep out the mice.

The parallel is that last year, linked life companies were marketing two bighly efficient tax avoidance scbemes using life bonds—the popular secondhand bond and the lesser known Capital Investment Bond.

The Revenue took great palns to announce the ending of the favourable tax status of secondband bonds, even though the metbod used will not appear until this year's Finance Bill. But it did nothing about Capital Investment Bonds and the September article pointed out that like mice, when tax planners find one loopbole closed they rusb to the other.

The linked life companies are keeping a low profile on sales of Capital Investment Bonds, but sales are extremely buoyant. Many insurance intermediaries and tax planners are putting their clients into these bonds in case the Revenue get round to plugging this loopbole.

To remind readers, a Capital Investment Bond is a highly complex arrangement of term assurances and a qualifying regular premium contract. All but £1 of the lump sum buys the term assurance contracts, but all the investment in units goes into the qualifying contract.

The Revenue is well aware of the structure of these schemes, because the LOA has *briefed* it on more than one occasion. The lack of response implies either that the Revenue accepts this concept, or else that it can only deal with one problem at a time.

It is obvious that if there is going to be a clampdown on these boods, action will not come until the Budget, if then. And if nothing bappens in the Budget more life companies can be expected to launch a similar product.

Eric Short

PROPERTY

Searching for 'listed' homes

BY JUNE FIELD

GETTING one's home "listed" as of architectural importance is a mixed blessing. When a house we used to own was given the accolade because it possessed "group value," being one of a terrace of 16 Regency dwellings, the immediate reaction was of having acquired some *cachet.*

The snob appeal soon wore off. Cash for essential repairs did not appear to be part of the "honour," and if anything one was more often than not hampered by the various rules and regulations that applied to necessary alterations and even urgent maintenance. Nevertheless, listing obviously goes some way towards preserving the past.

The actual categories of properties protected by the Department of the Environment are ancient monuments such as Stonehenge, the "Conservation Area" which can exist in any village, town or city, and lastly buildings which can vary from Battersea Power Station, built in 1939, to an ancient tithe barn or a period house.

Buildings are listed in three grades—I, II with a star, and II. Currently there are said to be some 300,000 buildings listed throughout the whole of Britain, and a new scheme was recently launched to complete the listed buildings resurvey of England in three years. Phase 1 is already being undertaken by some 20 county councils, and the next phase, which involves the private sector, is due to start any time.

What can be done to help the owner of a period home?

David Mitchell and Robert Brown, conservation experts at Savills, consider that owners should be given an incentive to repair and maintain listed buildings. "We believe there is a simple solution, make expenditure on the repair and maintenance to the fabric and outstanding architectural features of a building allowable against tax.

"Tax relief would be spread over a ten year period to make the scheme politically acceptable. In the event of a sale within that time the relief would stay with the house and the benefit would pass to the purchaser."

While they would like to see greater penalties for demolishing or altering a listed building without consent, they point out that it should be appreciated that the listing process is not sacrosanct. "As Sir Hugh Casson has said 'listing means no more than it says. It permits time for study and for second thoughts'."

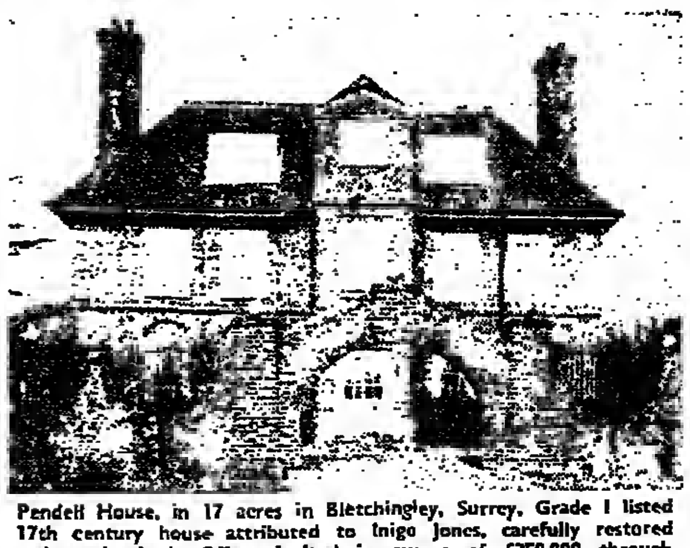
There are various specialist services to help you to find or sell a listed house. The D.o.E.'s Historic Buildings Bureau, 1 Savile Row, London, W.1, send out free quarterly *lists of* places for sale through estate agents, and three fairly recent organisations started up by enthusiasts for period property, run on a commission basis, will send leaflets about how they work.

Listed Houses is a new company set up by Michael and Brenda Sayers as buyers' agents for historic buildings. "Fundamentally, we *aim* to put potential buyers of old and historic houses into contact with vendors' agents. We accept fees from successful buyers, so we are competing with nobody and the estate agents are, without exception, treating us as equals and co-operating fully," Michael Sayer told me.

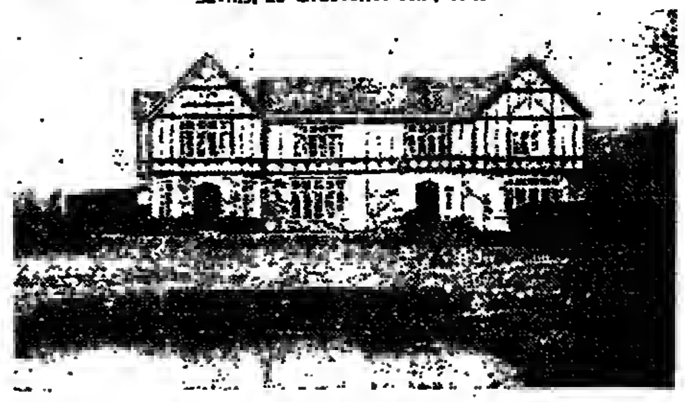
They are in active contact with over 200 estate agents' offices in Shropshire, Herefordshire, Worcestershire, and the fringes of Gloucestershire and Wales. "No potential buyer could manage this unless doing it full-time. Most of our clients are in south-east England and seeking escape to quieter places.

"As a lecturer at Keele University, in History of Technologies, I was constantly talking, reading and writing about historic buildings and their design and construction methods. I decided it was time to stop talking and do something. Having moved to Shrewsbury and with the experience of searching for, purchasing and organising the accurate restoration of a listed house, I left the university last year to run Listed Houses full-time. My wife, a geography graduate, is a partner in the business, and she will become more active when her teaching contract ends later this year."

They will look at properties for subscribers, reporting both on the attractions and disadvantages. "Remember that we shall be acting for you, not the vendor," reminds Mr Sayers, who will send monthly lists of places for sale to subscribers for £10 a year from 23 Saint John's Hill, Shrewsbury, Shropshire. Commission for a purchase following an introduction is 1 per cent of the purchase price up to £100,000, thereafter on a sliding scale.



Pendell House, in 17 acres in Bletchingley, Surrey. Grade I listed 17th century house attributed to Inigo Jones, carefully restored and modernised. Offers invited in excess of £350,000 through Paul Hutchins, Hampton & Sons, 6 Arlington Street, SW1, and Savills, 20 Grosvenor Hill, W1.



Lea Hall, in 6½ acres at Lea-By-Backford, near Chester, dates from before 1870. There are 6 bedrooms, 3 bathrooms, a minstrel's gallery, tennis courts, stables and paddocks plus a range of listed farm buildings with planning permission for conversion to 5 residential units. Details G C Adnitt, Jackson-Stops & Staff, 25 Nicholas Street, Chester, and Beresford Adams of Chester, who are seeking around £180,000.

The Historic Buildings Company, Chobham Park House, Chobham, Surrey, charge a registration fee of £15 for a year's mailing of their Period Property Register, which currently includes an 18th-century former cobblers' shop in Ludlow, £29,500, and a converted Victorian flock mill in Surrey, £140,000. The company also run a special marketing service to sell your house, or it costs £85 to put your property on the register.

Actress Judy Frankel, who runs the company, believes that period property does not sell by location, as traditionally expected: "Buyers are more often concerned with a particular style—manor or mansion, Queen Anne or Georgian, are more important than a particular area." Husband and co-partner Brian Leadsom, is a constructional engineer as well as the "building doctor," for the magazine *Period Home,* dealing with the problems page. (The magazine costs £12.75 including postage for a year's issues, to Joan Clark-Hall, Period Home, Caxton House, High Street, Tenterden, Kent.)

Home Search was started recently by Carolyn Chisholm, wife of a City merchant banker. "The idea which sparked it off came when I was determined to think of a business which I could run from my own home, did not need large financing to start it off, and would *fit* in around the life of my three children aged six, four and two and their nanny.

"Today's property buyer needs help from someone who is concentrating on their individual needs, and is ready on their behalf to put in as much leg work as is necessary."

A deposit of £100 to cover telephone calls, petrol, fares and so on is required, and 1 per cent of the purchase price of a property bought through details provided by the service. Explanatory booklet from Mrs Chisholm, Home Search, 27 Strawberry Hill Road, Twickenham, Middlesex.

CHESS

LEONARD BARDEN

WHEN Bobby Fischer abandoned chess after his victorious world title match against Spassky in 1972, those who knew him well predicted he would come back only if his money ran out. Fischer's significant earnings from chess in the past decade are meagre: a mini-match against an IBM computer, an appearance on the Bob Hope show, an exhibition game with President Marcos in Manila, and royalties from his book *My 60 Memorable Games* (Faber).

Negotiations for a Fischer-Karpov match in the mid-1970s failed despite three or four personal encounters between them. It was said that Bobby's initial words were: "Why don't you leave the Soviet Union?" but the major sticking point was Fischer's insistence on a timeless test with the winner the first to 10 games, draws not counting.

Recently there have been fresh developments. One report claimed that Bobby turned up at the home of U.S. grandmaster Peter Biyiasis, offered to play five-minute chess, and scored 17-0. No game moves have appeared, even though one would expect a GM to be able to reconstruct parts of such games from memory.

Now the Dutch newspaper *De Telegraaf* is trying to arrange a match between Fischer and Holland's chess hero Jan Timman. Fischer has reiterated his demand for an unlimited number of games, asks for a fee of $1.5m, and wants to play in a hall with no public admitted. Extra requests not reported in earlier Fischer negotiations are a fee of $5,000 per meeting (cash in envelope) for pre-match discussions; and that he should be referred to as "the" world champion. In Bobby's eyes, Karpov is only the champion of FIDE, the World Chess Federation, an organisation he has always considered "commie-dominated."

Unless there have been remarkable changes in Fischer's behaviour patterns, the Timman match looks as surely doomed to be a non-starter as all Bobby's earlier negotiations. The problem is that a normal match involves far too many logistic stages at any of which Fischer can turn tail and run. Nobody has tried to arrange what in my opinion is a better prospect: a blitz match lasting only a single day between Bobby and another strong grandmaster.

When Fischer claims he is the only world champion, few will agree. But it is worth remembering that he is still the unbeaten world champion at blitz chess. The year was 1970, the venue Herceg Novi in Yugoslavia. Competitors in the five minutes per player per game event included Tal, Korchnoi, Petrosian, Hort and Smyslov, yet Fischer beat them out of sight with a score of 19 out of 22.

The U.S. Chess Federation in its magazine *Chess Life* periodically bemoans Fischer's departure and its effect on their membership figures, which dropped from 60,000 at the peak to 50,000 now. They have never tried offering Bobby a blitz match, but now there is a natural opponent. Yasser Seirawan, reigning U.S. co-champion, is 22, beat Karpov last year at Phillips and Drew in London, and has been described as "looking like the young Errol Flynn." In the latest FIDE rankings, Seirawan has moved up among the top dozen 2,600-plus super-GMs.

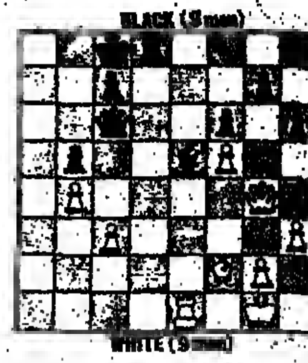
Of course, plenty of purists would bemoan it if Fischer made a comeback only in blitz chess. But we have waited a long, long time for a more orthodox return, and Fischer will be 40 next month. In any event, it would be interesting to see how Bobby would react to such a proposal: perhaps some sponsor reader of this column would like to try it?

WHITE: V. Korchnoi.
BLACK: R. J. Fischer.
King's Indian.
(Herzeg Novi 1970).

1 P-Q4, N-KB3; 2 P-QB4, P-KN3; 3 N-QB3, B-N2; 4 P-K4, P-Q3; 5 B-K2, 0-0; 6 N-B3, P-K4; 7 0-0, N-B3; 8 P-Q5, N-K2; 9 N-Q2, P-B4; 10 P-QR3, N-K1; 11 P-QN4, P-N3; 12 R-N1, P-B4; 13 P-B3, P-B5; 14 P-QR4, P-KN4; 15 P-R5, R-B3; 16 NPxP, NPxBP; 17 N-N3, R-N3; 18 B-Q2, N-KB3; 19 K-R1, P-N5; 20 PxP, NxNP; 21 R-B3, R-R3; 22 P-R3, N-N3; 23 K-N1, N-B3; 24 B-K1, N-R1!; 25 R-Q3, N-B2; 26 B-B3, N-N4; 27 Q-K2, R-N3; 28 K-B1, NxRP!; 29 PxN, BxP ch; 30 K-B2, N-N5 ch; 31 BxN, BxB; 32 Resigns. The decisive double threat is BxQ and Q-R5 ch.

POSITION No. 461

BLACK (9 men)

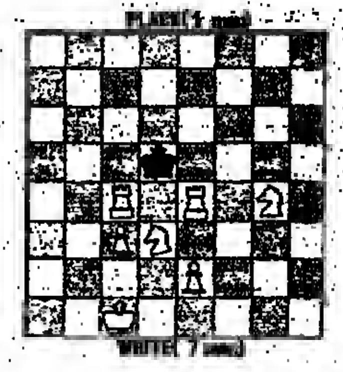


WHITE (9 men)

Hulak v. Hort, Wijk aan Zee 1983. White (to move), with level material against a leading world grandmaster, has to make a critical decision. Should he (a) initiate pawn exchanges by 1 QxP, QxBP; 2 QxRP, QxNP or (b) prefer the safety play 1 R-QB1?

PROBLEM No. 461

BLACK (4 men)



WHITE (7 men)

White mates in three moves, against any defence (by Dr W. Speckmann).

Solutions Page 14

BRIDGE

E. P. C. COTTER

TWO HANDS from duplicate pairs intrigued me, so I pass them on to you. Let us look first at this deal, in which everything hung on the opening lead:

N
♠ K 6 3
♡ Q 10
♢ K Q 9
♣ A K 8 6 2

W
♠ A Q 10 7
♡ K 7
♢ 6 5 2
♣ J 10 5 4

E
♠ 9 5 4
♡ 6 4 3
♢ A 10 8 7 3
♣ 9 7

S
♠ J 8 2
♡ A J 9 8 5 2
♢ J 4
♣ Q 3

With neither side vulnerable, North dealt and opened the bidding with one club, to which South replied with one heart. The opener now rebid two no trumps, fully justified by his 17 points, and raised his partner's rebid of three hearts to four hearts, which became the final contract.

West did some hard thinking before he selected his opening lead. It was obvious that his partner's hand was almost worthless—it was no good looking to him to defeat the contract. For this reason he decided against a lead of either minor suit, and came to the conclusion that spades offered the only hope. North's rebid of two no trumps placed him with the King of spades. Should he lead Ace and another spade, hoping that East had the Knave? No, South might easily have that card himself. Finally, West decided that the only chance of collecting four tricks was to find his partner with a fast entry and the spades evenly divided between declarer, dummy, and East.

With his plan formed, West led the spade Queen, dummy played the King, holding the trick, and the declarer returned the Queen of trumps from the table. West won with the King, switched to the diamond six, and was delighted to see his spade return allowed West to cash two tricks and defeat the contract.

This play is not uncommon in the middle of a hand when the defender can draw some conclusions from dummy's cards but West must be congratulated on adopting this play on the opening lead.

Here is the second hand, dealt by South with North-South vulnerable:

N
♠ K J
♡ K 7 6
♢ Q J 10 7 3
♣ 8 5 3

W
♠ 8 2
♡ Q J 10 9 5
♢ 8 6 2
♣ J 9 2

E
♠ 9 6 5 4 3
♡ 8 3
♢ A 5
♣ A Q 10 4

S
♠ A Q 10 7
♡ A 4 2
♢ K 9 4
♣ K 7 6

South bid one no trump on his 16 points, and North raised to three no trumps. With a nice solid heart sequence, West led the Queen, dummy played low, East dropped the eight to give the count, and declarer won in hand with the Ace. Diamonds had to be developed, so declarer led low to dummy's ten. East had been doing his homework—he could see 10 points in dummy and 10 in his own hand, and could place South with at least 16 for his opening bid. That meant that West could hold nothing outside his two heart honours except, possibly, the Knave of clubs. If he held that card, there was just a chance of working a swindle on the declarer.

He took his diamond Ace at once, and switched to the Queen of clubs. The declarer, who placed the Ace with West, felt that his only hope was that East had at least four clubs, and that the suit would be blocked if he ducked twice. East continued with the ten, declarer played low again, and East now played his Ace, dropping the King, and defeated the contract with his fourth club.

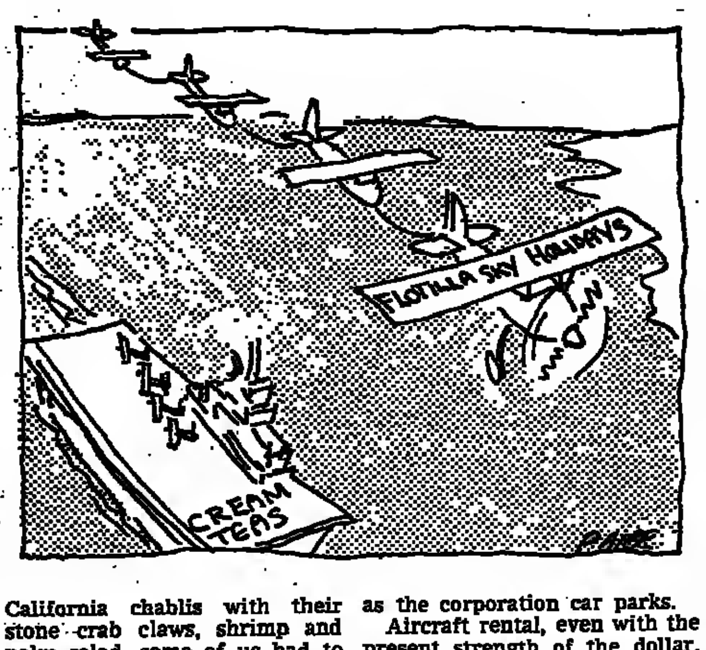
You may think that the declarer played stupidly, but suppose that West had held Ace and two other clubs—in that case his performance

هكذا صدر الأصل

LEISURE

Arthur Sandles on changing fortunes in Florida

For Cedar Key read Orlando



CEDAR KEY is a tiny clapboard village on the west coast of Florida. Few people know of its existence. There was a time when the rail road tracks ran into the heart of a bustling fishing centre: mountains of oysters, crab and lobster were shipped off inland. The forests of trees which gave Cedar Key its name were splintered down into pencils in the ever-busy factories. Cedar Key was a major southern city.

In those days Orlando was a dot on the map, a dot surrounded by swamps. Today Orlando is the golden magnet of Florida, and Miami, Jacksonville and Tampa are the other recognised great centres of Florida. So who has ever heard of Cedar Key?

The first I heard of it was ten days ago when bowling winds and low clouds prevented a planned flight of half a dozen of us in a squadron of light aircraft from St Petersburg, the sister city of Tampa, to the Kennedy Space Center. We scoured the maps over coffee and decided on a seafood lunch instead of the more intellectually testing tour of space facilities, and re-filed our flight plans.

To be honest, my instructor had more to do with the landing than I did. After all the cutlass is a mite bigger than I had been used to until then, and the runway at Cedar Key is unstaffed and has one end of its short length banging amiably into the Bay of Mexico. With all of three hours in my pilot's log book discretion took the upper hand.

The trouble with flying to lunch is that those who have to face a bevy of instruments and a Babel of radio instructions later are not allowed to drink. So while others downed California chablis with their stone crab claws, shrimp and palm salad, some of us had to make do with iced tea.

But touring by air is a revelation to those who have so far only sampled the experience by foot or car. Distances, in terms of time, are cut by two-thirds; the inaccessible becomes the accessible. Suddenly there is space.

The U.S. is, of course, ideal for such aerial tourism. Many Americans have come to regard the aircraft, even a private one, as simply a means of transportation. It is accordingly available. Show the right credit cards, and the right pilot's licence, and you are in the air with little more inconvenience than when chatting with that nice Mr Hertz. Landing charges are the exception rather than the rule, with towns regarding their airstrips in the same light as the corporation car parks.

Aircraft rental, even with the present strength of the dollar, is cheaper and often easier in the U.S. than in Europe. A basic small aircraft will cost around $30-$60 an hour to rent and should run a little over 100 nautical miles in each of those hours.

Given that you have the right licence—and a remarkable number of people have these days—then a flying holiday in the U.S. is not only feasible but also, in European terms, relatively inexpensive. Naturally enough, there are problems. In spite of having four seats the average small single engined aircraft, when fully fuelled, can only cope with four people if they are slightly less than heavyweights and certainly not if they all have normal airline baggage

This has not proved an insurmountable problem to many Europeans seeking the freedom of American skies. Breyet Vacations, a specialist tour company set up by former and current Thomson Group executives (but in no way connected with that tour major), seems to have struck a sympathetic chord in many a heart in this field. Its operations of holidays to the U.S., with many flying hours thrown in, have now been expanded to include flying in the Virgin Islands and also flying instruction.

For example, a two-week trip to Tampa on Air Florida, with apartment accommodation, car rental and nine hours' solo flying (plus one hour dual and two hours' ground instruction) costs between £900 and £1,100 this year (December exchange rates) for the pilot member of the party and a couple of hundred pounds less for the non-pilot companions.

A touring holiday, including transatlantic flight, with 54 hours in a Cessna 152 and three nights' accommodation near to the base airport at St Petersberg would cost upwards of £1,600—and that would be for three weeks.

As for my own horizons I can only lift my hat to the valour and patience of Russ, the instructor from Saint Pete's Airworld Inc. in St Petersburg who seemed not to turn a hair at my low-level technique over the coastline of eastern Florida. His true feelings were only revealed later, for he wrote in my log: "Wave bopping and beach strafing."

It just shows what a day at Cedar Key can do—and honestly I did only drink iced tea.

● Further information: Brevet Vacations, 10b Littlegate Street, Oxford OX1 1QT.

Seeds to sow now under cover

GARDENING

ARTHUR HELLYER

EXCEPT IN the mildest parts of the country it is too early to start sowing outdoors. But anyone with a heated greenhouse, frame or propogator or a reasonably warm indoors that can be used for a few week for seedlings can begin sowing most half-hardy annuals and a few vegetables now.

The seed catalogues often recommend optimum temperatures for the germination of particular seeds; but it is usually impossible to provide a lot of different climates in a small space and one must compromise with one which will serve for all if not quite ideal for some. This usually means an air temperature of around 18 degrees centigrade (65 deg fahrentite) or a soil temperature a couple of degrees lower which can be a little more economical. There are just a few seeds, Impatiens, Gloxinia, Canna and cucumber among them, that really do need 20 degrees centrigade (70 deg fahrenite) or even more to get them started and for these special provisions must be made. A reader wrote recently to say how successful she had been germinating geranium seeds in a warm cupboard but if this option is adopted it is esential to transfer to seed pens in a light place directly seedlings appear and that can cause problems if the drop in temperature is more than a few degrees.

A similar problem can arise at a slightly later stage with seedlings raised in a propagator. Here it is not the light that is lacking but space for the little plants to develop without becoming overcrowded and probably succumbing to damping off disease as a result. One way around this is to space the seeds singly about an inch apart, easy with large seeds such as those of tomato, impossible with the dust-like seed of pegonias.

So the precise time which sowing should start is partly determined by the speed with which the seedlings will grow and the available space that can be kept at an adequate temperature when they need to be pricked out into trays. As the weeks go by days lengthen, there are more sunny hours and the average outdoor temperature rises it will be easier to maintain day temperatures of 15 degrees centigrade plus. But it is the occasional cold spell and particularly prolonged night frosts which can occur throughout April in many places that may check young plants severely.

My advice is not start too early, if available heating, once seedlings leave the propagator is rather inadequate. It is better then to restrict the early sowings to the few plants which, because they are slow growing at first really do need an early start among these I will put antirrhinums, *Begonia Semperflorens* and *Salvia spendens*, though even these seedlings from an early March sowing keep growing steadily and overtake January/February seedlings which suffer a severe check.

I always sow brussel sprouts in an unheated greenhouse in early March because by this means I get quicker and better germination than outdoors, and much bigger plants at the end of the season when they are ready for harvesting. This mild winter I'm still gathering excellent sprouts from the same plants of Peer Gynt that gave me a first picking at the end of September. I certainly could not have done this on my cold damp soil from a sowing made outdoors in March. I also sow lettuce at the same time to be pricked out and then planted out in April for June cuttings but from April onwards outdoor sowing gives better results with less labour.

But for most people it will be the half hardy annuals and bedding plants that will be of most interest for sowing in the coming weeks. In addition to those already mentioned these will include annual asters, annual carnations and pinks, cosmos, dahlias, everlasting hellchrysums, African, French and Hybred Marigolds as well as *Togetes signata*, *Mesembryonthemum criniflorum*, nemesias nicotianas, penstemons, petunias, annual phlox, annual rudbeckais (which are really slightly tender perennials but usually best renewed every year) annual scabious, summer flowing stocks, berbenas and zinnias.

With the exception of the Mesembryanthemum's which has never been improved by gardeners because it is difficult to imagine anything better than the natural wild plants there are constant additions to all these plants. I particularly recommend the Knight variety of carnations, Dahlia Collarette Dandy with charming single flowers each with a ring of short petals often in a contrasting colour surrounding the central yellow disc, the pinks named Magic Charm and Queen of Hearta, Helichrysum Dwarf Spangles, which is to be preferred to Bright Bikinis, the neat little French Marigold Honeycomb as well as the old but still unsurpassed single Naughty Marietta Penstemon Earlibird and all the Resisto petunias but particularly Resisto Rose and Zinnia Ruffles Mixture.

This is also a good time to sow sweet peas for though they are quite hardy they need warmth, and germination, and in most cases cannot be sown outdoors with any certainty of success until April which means late flowers. Earlier flowers can be obtained by sowing now either thinly in trays or three seeds to each 3½ in pot and treating them as if they were half hardy.

Seedlings will then be ready for planting out in April and will flower well ahead of outdoor sowings. There are scores of tall Spencer varieties to chose from but I like the Galaxy varieties which give stems with to seven flowers, make a wonderful display in the garden and a fine cutting — though useless for serious exhibition. I also recommend the Knee Hi and Jet Set mixtures which grow 3 ft high and can be supported on ordinary peasticks.

It is also possible to sow annuals now as if they were half-hardy annuals and get flowers this summer though finer plants and earlier flowers were obtained by sowing outdoors in June and growing them on outdoors throughout the winter. But that means finding space for a nursery bed to contain them whereas the February or March seedlings can be grown on in trays and planted out in May. In small gardens that makes a lot of sense.

The case of the abandoned trolley

COUNTRY NOTES

JOHN CHERRINGTON

I HAVE never yet gone shopping in a modern supermarket. In fact I have only once gone into one; in this case it was to look at the sort of job that was being made in presenting meat, a product I am very interested in. I didn't like what I saw, and was walking out through the entry passage when someone stopped me and asked me what I had been buying and saying I should go out through the pay booths where queues of housewives were waiting patiently.

He was a bit suspicious, so I invited him to call a policeman and my solicitor, and if found to have lifted nothing to be prepared to face a charge of wrongful arrest and damages which would keep me in luxury for a good many years. In any case, I told him, such was the poor-looking sample of meat on offer, that I wouldn't steal it, even if my cat was starving.

The next time I was in what could be called a mini market. My wife was ill and she gave me her list of things to buy. This shop was in a nearby village and one of the assistants was well known to me, having been brought up in the village. "Ah Rose," I said, "here is Mrs Cherrington's list; I have to go to the bank and will be back in an hour." When I came back there was a box of groceries on the counter and all I had to do was produce a chequa.

So I have never had to stand in the long lines before the tills which I see through the superstore windows. It is true that the local wives, my own among them, go to be humiliated in this way. If the tills were insufficiently manned and the queue long, I would leave my trolley and walk out. Faced with a couple of hundred abandoned trolleys, the management would soon capitulate. I am sure that Mrs Thatcher wouldn't tolerate it.

But that need not be necessary. In the next village there is always Vera who runs the post office and village shop as did her mother and grandmother. Her shop is open for some time every day of the week, so that any forgotten items can be hurriedly secured. Her premises are tiny; a superstore in miniature except that there is no room between the shelves for anyone but Vera and her husband. So one gets counter service of every type of grocery, dry or green. A frozen food cabinet is stuffed to the lid with fish and cooked meats, the selection of cheeses is extensive and the wine list would not disgrace a four-star hotel.

Nor is there the nonsense of wheeling a trolley of groceries across an enormous car park. You park outside, on a corner it is true, but everyone knows that for most of the day there will be half a dozen cars there and drives slowly accordingly. For those needing red meat she cannot cater, but a mile down the road in the next village there is an excellent traditional butcher. What more can anyone need?

It is true that the counter has room for no more than two customers at a time, and those waiting have to exercise patience. But this can be an advantage to those to whom village gossip is the spice of life. At busy times one sometimes has to queue in the rain outside. That is a small price to pay though for the pleasures of real personal service and good quality into the bargain.

Vera's fame has spread far and wide. Not only do the locals call there daily but people from villages miles around and even from the local town. From there housewives drive past the windows of Tesco, Waitrose and even the Co-op disregarding the enticement of bargain offers for the true values of Vera's little shop.

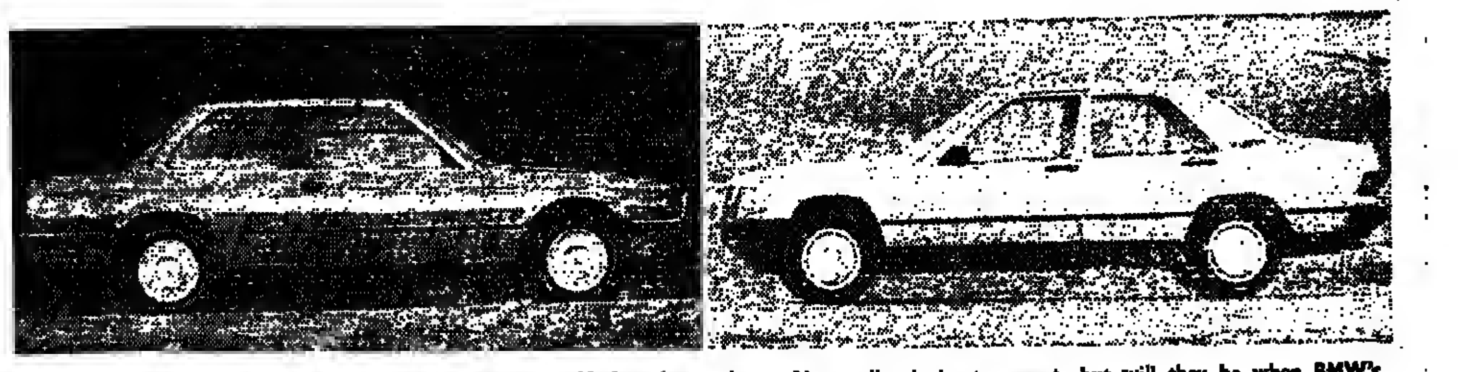
But this is leading to problems. There are rumours, so far unsubstantiated, that her premises ara to be much enlarged, that proper shelving will be installed, so that she and her husband will be able to sit at the tills, while the customers do the hard graft of picking and choosing. Think again, dear Vera, think again.

SNOW REPORTS

EUROPE

Arosa (Sw)	100-180 cm	Excellent skiing powder on good base
Avoriaz (Fr)	92-197 cm	Powder on some off piste runs
Cervinia (It)	80-200 cm	Good snow on hard base
Crans Montana (Sw)	80-140 cm	Good skiing on all pistes
Davos (Sw)	120-210 cm	Good skiing on all slopes
Grindelwald (Sw)	50-150 cm	Good powder, good cloud
Klosters (Sw)	90-210 cm	Powder not yet skied out
Muerren (Sw)	110-220 cm	Very good snow everywhere
Sauze D'Oulx	5- 95 cm	Good skiing on upper slopes
St Anton (Aus)	100-290 cm	Birds nesting still possible
St Morits (Sw)	80-160 cm	Wonderful skiing everywhere
Val D'Isere (Fr)	140-180 cm	Skiing everywhere extremely good
Villars (Sw)	140-200 cm	Piste conditions excellent
Wengen (Sw)	75-180 cm	Upper snow showers and and fair spells

European reports from Ski Club of Great Britain representatives.



The two-door BMW 3-series and the Mercedes-Benz 190 four-door saloon. Not really rivals at present—but will they be when BMW's four-door appears appears in the autumn?

Rivals from BMW and Mercedes

MOTORING

STUART MARSHALL

AS TRAFFIC density increases, there's not much point in running a large car when a medium-sized one can be as pleasing on a journey and much handier in town. That is the rationale behind the rising demand, not least in Britain, for compact cars of quality.

Last year, BMW boosted their sales here by 35 per cent to 23,000 units. They are aiming for 26,600 this year—and most of the increase will be in the smallest BMW, the new 3-series, which goes on sale next month.

Mercedes-Benz seemed to be ignoring the trend though they were well aware of their need of a smaller car than the 200. Late last year, within days of the announcement of the BMW 3-series, they launched the 190, their smallest saloon car for nearly 30 years.

Both BMW 3-series and Mercedes-Benz 190 are clearly aimed at the quality-without-bulk market. Since their appearance many people have asked me how they compare with one another. The answer, at least at present, is that they don't.

When unveiling the 190, Mercedes-Benz spoke of their objective as creating a smaller car with the same standards of safety, comfort and traditional quality as their current range of larger cars. Certain concessions, they said, had to be made where the transport of more than two people was concerned (they meant there was not much room in the back). And they listed the possibility of adopting a sporty motoring style only fourth in the requirements of potential customers.

BMW, on the other hand, majored on the new 3-series having higher top speed, better acceleration, improved handling and braking than the previous ones, allied to lower noise levels, greater economy and comfort.

So there, I think, we have it. Mercedes-Benz and BMW are unquestionably cars of quality but they have beaten different paths to perfection and are doing so still.

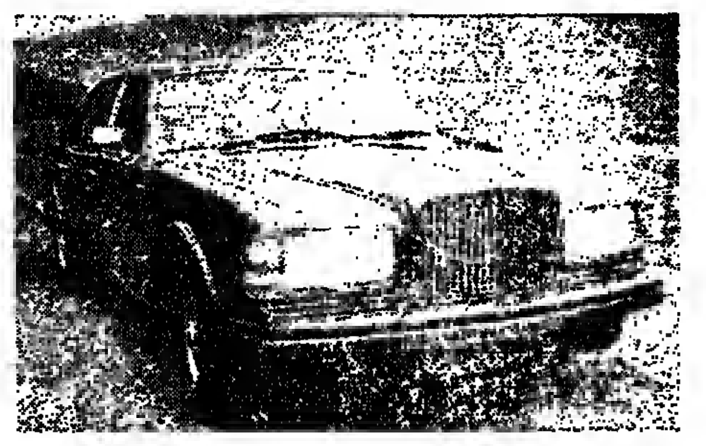
The 3-series and the 190 reflect their differing appeal in their looks. The BMW is a two-door, which by a slight stretch of the imagination could be called a coupé. The Mercedes is a four-door saloon, a down-sized version of the senior businessman's standard-setting car, the Mercedes New S Type. BMW offer one four cylinder engine with carburetter in the 316, six-cylinder engines in the 320 and 323, both of which have fuel injection. Mercedes use a two-litre four cylinder with a carburetter or fuel injection. A four-cylinder diesel is coming soon.

I have driven both cars only briefly; the BMW for 200 miles in Morocco, the Mercedes for about the same distance in Spain. The BMW is more overtly sporting in character, especially as fitted with ultra low profile tyres. It was a stimulating drive on mountain roads. But the Mercedes-Benz 190 has quite exceptional handling and roadholding, though one feels that fewer owners will exploit it to the full. Lighter and smaller than the traditional Mercedes-Benz it may be, the 190 still has a solid and enduring feel about it.

In performance, the BMWs have an edge over the Mercedes. At least, the six-cylinder 320 and 323 do, with top speeds of 122 and 126 mph respectively, whereas the 190 with the carburetter engine is good for 108 mph, the injected model 121 mph. Both makes have four or five speed manual gearboxes — the five speeders with economy overdrive tops — or automatic transmission to choice. Mercedes-Benz make their own four-speed automatic, programmable in performance or economy modes in which ratio changes take place at different speeds. It is a better transmission than the three-speed one that BMW buy out.

BMW have announced 3-series prices, which range from a modest £6,775 (the 316) to £10,015 for the 323i automatic, though one of these with every available extra — including air conditioning — would be well over £15,000. The Mercedes-Benz 190 won't reach Britain until the autumn, by which time a four-door BMW will be available as a closer alternative to the Mercedes. I doubt that the Mercedes-Benz 190 will be any cheaper than the 200 model, currently £9,130. It may well cost more.

And which car would I prefer? It would depend entirely on my mood. They are both delightful, if different. The one thing they have in common is a level of quality few other manufacturers get near.



The Bentley Mulsanne turbo: one of the few cars to keep its list price

CAN THERE ever have been a better time to buy a new car than now? Apart from discounts that have made list prices meaningless except as a basis for negotiation in all but a handful of models (new S Type Mercedes and the Bentley Mulsanne Turbo, for example) the incentives get more enticing week by week. For the moment, though, no one can match Citroën.

Their current promotion—it runs until the end of April—allows any of four Visa models to be bought, driven for up to 2,000 miles and then returned to the dealer for a full refund, no questions asked, if the buyer doesn't want to keep it.

A new Porsche is out of the financial reach of most of us but a used one might not be. Porsche Cars GB, the official importers, have put into operation a comprehensive 12-month warranty. Any Porsche under five years old and with less than 60,000 miles on the clock sold by a Porsche dealer qualifies. The warranty compliments the two-year one offered on all new Porsches sold since last September. A 13-month-old current model would be sold with 23 months' cover — the remaining 11 months of the two-year new warranty, plus 12 months of the used car warranty.

Battles not so long ago

BY BRIDGET BLOOM

The Battle for the Falklands
by Max Hastings and Simon Jenkins. Michael Joseph, £10. 372 pages

A Message from the Falklands: the life and gallant death of David Tinker, Lieutenant, RN. from his letters and poems
compiled by Hugh Tinker. Penguin Books, £1.95. 214 pages (paperback)

The Falklands War: The Full Story
by The Sunday Times Insight Team. André Deutsch. £8.95. 274 pages (hardback). Sphere Books, £2.50, 261 pages (paperback)

Eyewitness Falklands: A Personal Account of the Falklands Campaign
by Robert Fox. Methuen. £9.95. 352 pages (hardback), £1.95, 335 pages (paperback)

The Winter War: The Falklands
by Patrick Bishop (The Observer) and Jobo Witherow (The Times) Quartet Books, £2.95. 158 pages (paperback)

Gotcha!: The Media, the Government, and the Falklands Crisis
by Robert Harris. Faber and Faber, £2.95. 158 pages (paperback)

Two out of every three people in Britain now believe there is "no point raking over events" of last summer's Falklands campaign. That, at least, was the finding of a recent Gallup poll. The poll was taken in the wake of the Franks report, which exonerated Mrs Thatcher and her Government of blame for the Argentine invasion. The boredom it suggests people are beginning to feel over official preoccupation with the Falklands may or may not indicate a waning enthusiasm among Britons for reading about the actual campaign.

There has certainly been a plethora of books about those brief but intense 10 weeks which ended eight months ago. I have to admit personally to a low-level of tolerance for the more "instant" among them — perhaps because I covered the campaign myself (though, I should add at once, from the safety of my FT office) I want more than the "I was there and wasn't it exciting" touch.

Of the books reviewed here, two stand out. Max Hastings and Simon Jenkins' *Battle for the Falklands* is without any doubt the most rounded and the most readable account of the war and its origins, while the small collection of David Tinker's letters to his family is without question the most moving.

Hastings and Jenkins — distinguished journalists both — say in their foreword that they hope they have produced "more than instant journalism, if necessarily less than instant history." They have done just that — and it is no mean achievement. They manage a distance from their subject which gives their analysis and narrative both clarity and authority, yet they have not lost the immediacy and excitement of what are such recent events.

Of the books reviewed here, only the Sunday Times Insight team makes an attempt to analyse not just the campaign but how it was, last April, that Britain found itself (in the harsh words of David Tinker) with 28,000 men going to the "other side of the world to fight a colonial war over a fairly dreadful piece of land inhabited by 1,800 people." Unless, like Robert Fox, one is quite unashamedly (though quite interestingly) writing a personal account of the war itself (he covered it the uncomfortable way) there seems to me little point in a book which does not begin as near to the beginning as possible.

One may agree with the Franks committee that the government could not have foreseen the actual date of Argentina's invasion. But surely the real question is how Britain arrived at the point where the government felt it necessary to fight a war which a few months earlier opinion polls would surely have shown not only to be peripheral to Britain's interests but virtually inconceivable in any circumstances.

It has been fashionable to put the blame for this state of affairs on the Foreign Office and the intelligence community. Hastings and Jenkins are also harsh on the FO (or rather Jenkins is, for as political editor of The Economist he seems responsible for the political analysis while Hastings, who was with the task force, takes care of the campaign). Surely it was the duty not of officials but of politicians to "mobilise a constituency of political opinion for compromise."

But a close reading of their excellent account of the same period dealt with by the Franks report (published after they'd gone to press) points the finger squarely at Britain's political leaders, not her officials. The authors bring out clearly how successive Prime Ministers and their cabinets (Labour and Tory) relegated care of the Falklands to the most junior of ministers, all of whom without exception then advised compromise with the Argentines even if that meant a less than perfect deal (like leaseback) for the Falklanders—and all of whose advice was then ignored when the going got rough in a Parliament stirred up by the tiny but highly effective Falkland Islands lobby.

The most abject lack of courage was surely when Mrs Thatcher's cabinet failed to back Mr Nicholas Ridley, before or following his "mindless barrowing" from MPs of all parties in the House of Commons in December 1980. (In one of their few howlers Hastings and Jenkins have this débâcle occurring in February 1981.) The activities of the Falklands Islands Committee, which so effectively lobbied MPs, is surely one of the under-covered aspects of the whole affair — though it is better treated by Hastings and Jenkins than it is by the Insight team. Despite (or perhaps because) of their three editors and 23 listed reporters, the Insight book is altogether much less balanced or thoughtful and I suspect accurate than *The Battle for the Falklands*.

The Winter War is a depressingly slight account of the campaign by two young journalists sent at short notice with the task force. It is a pale shadow of Robert Fox's more substantial if equally personal account. Fox covered the Falklands campaign for BBC Radio (and occasionally for the FT). His is by far the most authoritative, if not the most easily digested account, for example of the capture of Goose Green.

Gotcha!—which takes its title from the tasteless banner headline of the Sun describing the sinking of the Belgrano — covers the media covering the Falklands, not, in general, a very edifying spectacle, though Robert Harris rightly points accusing fingers at the Ministry of Defence's inadequacies as well as those of the popular press.

David Tinker's letters are a salutary antidote to what he himself terms the "War Mag" approach of the popular Press. Tinker, recently married and on the way up in the Navy, was serving with the task force on HMS Glamorgan and was killed when the ship was hit by an Exocet missile two days before the Argentine surrender. His posthumous letters show how he first viewed the diversion of his ship to the South Atlantic as something of a lark. But as the peace initiatives fail he becomes increasingly critical and sceptical, sometimes of the admirals but mostly of the politicians back home.

"From the way that Maggie Thatcher has reacted one would imagine that the Russians were already in Bonn: not that we were fighting for a rocky island which Mr Nott had planned to leave completely undefended by mid-April" he writes to his parents on May 14. And he left the heroics for others: he told his father later that "the war just happens: we do shelling of shore positions and we get attacked by aircraft. We dislike both and the time when everyone is relaxed and happy is when we are 'legging it' away from the action at 29 knots."

Perhaps prophetically (though he wrote just before the fighting started) he said: "Once people in Britain see . . . they have to pay for a war or naval patrol in taxes, they may get fed up with the Falklands anyway."

Catherine Dickens: maligned wife

Putting them all out

BY PHILIP BASSETT

States of Emergency: British Governments and Strikebreaking since 1919
by Keith Jeffery and Peter Hennessy. Routledge and Kegan Paul, £14.95. 312 pages

Burst pipes pumping out water into the street. Raw sewage being discharged straight into rivers. Six million people boiling their water before use. Up to 20,000 properties cut off altogether from main water supplies. No more appropriate time could be found for the publication of this study of the Government's contingency plans for dealing with seriously-disruptive industrial disputes than a first-ever all-out national water strike—what the authors describe as "one of the contingency planners' most intense worries," its effects a "politician's nightmare."

Premature disclosures from the book, about contemporary contingency planning—by journalists, writing about the water strike—is testimony to the felicity of its timing and, more particularly, to its value. As the authors put it, the missing link in news reporting and academic studies of industrial relations is the

"vital, concealed area of contingency planning, in which ministers and officials try to calculate the point at which trade union demands will plunge the country into chaos and privation and how best to mitigate the effects of stoppages in essential industries and services."

Or, to put it another way—as the book's subtitle is not afraid to do—strike-breaking. An ugly, dirty word; but in their dense, careful examination of the Government's emergency machine, from the Industrial Unrest Committee in 1919, to the Cabinet Office's Civil Contingencies Unit (CCU) today, Jeffery and Hennessy show in great detail that administrations' political closeness to or revulsion from the unions has not prevented any from using the most draconian measures to break strikes—anything from troops, tanks and gunboats, to the proposed Strikes (Exceptional Measures) Bill of 1919, which would have given governments statutory power to close down public houses.

Drawing mainly on Cabinet and other papers now available, the authors give an extraordinary insight into Whitehall's response to crippling strikes up to 1951, when suddenly the 30-year secrecy rule on Government documents turns off the tap. From that point on, they have had to rely on the clandestine assistance of unnamed CCU "moles." Even so, their work — based largely on a series of revelatory articles Hennessy wrote for The Times in 1979 — is ground-breaking. It lays out in previously unreachable detail, official planning to deal with strikes by power workers, water workers, oil tanker drivers, road haulage drivers, and others.

One newspaper recently quoted "one former senior member of the CCU" as saying that it was "nonsense" to suggest that the CCU had a "great big machine" which could be set in motion to deal with strikes. While the authors show that high unemployment, which restricts labour militancy, tends to lead to downgrading of the current Government strike breaking organisation both in importance and in funding, it is precisely this cut-off of hard detail, in 1951, which reinforces a belief that the CCU is still hard at work. The cumulative effect of the book's account makes such an assumption inevitable.

The impact of the book is such as to cause surprise if, in 2013, when today's Cabinet papers are released, they do not show discussion and planning similar to that surrounding the coal miners' strikes of 1921 or the docks' strikes of 1948 and 1949.

The overall conclusion, apart from a plea for greater openness from Government on such issues, is that contingency planning is a constant and extensive element of official thinking. Despite this, though, it suggests that planning may not be enough to deal adequately with the sort of emergencies envisaged by the CCU. As one Whitehall insider says: "You cannot run a modern industrial society from the CCU. What you can do is buy time—give yourself a bit more room for manoeuvre." As the water strike showed, where strikes by steel, Civil Service, rail and health workers did not, if the consequences of the emergency caused by the strike are too great, then even manoeverability may not be enough.

Dickens' dames

BY ANTHONY CURTIS

Dickens and Women
by Michael Slater. Dent, £15.00. 465 pages

There were many women in the life of Charles Dickens, as in that of most men—Baroness Burdett Coutts, for instance, with whom Dickens worked on various committees to improve the lot of unfortunate women. But what Michael Slater implies by his title *Dickens and Women* are the women who played an absolutely crucial role in the life of the novelist, helping to form both his personality and his art.

These were: (1) his mother, Elizabeth Dickens, who sent him to work in a blacking factory when he was still a schoolboy; (2) Maria Beadnell, the banker's daughter who toyed with his infatuated love for her when he was a young man, and whose rejection of his hand spurred his ambition; (3) his wife Catherine who bore him 10 children and whom he cruelly repudiated after 22 years of married life; (4) his wife's sister, Mary Hogarth, who died young; whom he adored and whose untimely death he never recovered from completely (cf Tennyson and Hallam, Victoria and Albert); (5) his wife's other sister, Georgina, who continued to live in his house after his separation from Catherine; (6) Ellen Ternan, the actress, many years his junior, who became his mistress after he had performed with her in Wilkie Collins's melodrama *The Frozen Deep*, and who precipitated the collapse of his marriage in the 1850s.

All these ladies not only played an important part in Dickens' life, but also provided material for his novels. There are character-traits belonging to his mother, for instance, in Mrs Micawber and elsewhere; and of Maria Beadnell in Estella, in *Great Expectations*. Accurate information about them has been given to the public only piecemeal over the years. The obfuscation was begun by Dickens himself when, in order to scotch the rumours that were rife about his love-affair, he had to put an announcement about the state of his marriage in *Household Words*, the magazine he edited. The Ellen Ternan affair was suppressed in the early biographies, and most modern biographers have followed Dickens' friend John Forster in dealing with his treatment of Catherine. Mr Slater has done all admirers of Dickens a service by giving them in this volume a full breakdown of all the known facts in the light of the most recent scholarship, setting the strictly biographical evidence alongside the literary parallels. He is in a position to know what he is talking about, not only as a leading Dickens scholar, but also as editor of *The Dickensian* for nine years.

He sees the shadow of Maria Beadnell hovering not only over the figure of Estella but also contributing to the treacherous, cold-blooded charmer, Steerforth. Mr Slater is not prepared to swallow wholesale a Catherine blackwashed by some biographers (including, most recently, the Mackenzies). Clearly, she had much to contend with; the strain of creativity turned Dickens into a domestic monster. We can observe the same process at work in the lesser instances of Hardy, Gissing and Maugham (beware of marrying a novelist!); but, unlike them, Dickens was able—with amazing creative distancing—to portray his own marital monstrosity in the figure of Quilp in *The Old Curiosity Shop*. This is another of Mr Slater's insights in a book which no one who takes pleasure in reading Dickens should miss.

Fiction

Conspiracy in Prague

BY ISABEL QUIGLY

The Joke
by Milan Kundera, translated by Michael Heim. Faber and Faber, £9.95. 267 pages

Outsiders
by Gillian Avery. Collins, £6.95. 206 pages

The Good Son
by Craig Nova. The Bodley Head, £7.95. 436 pages

Milan Kundera's *The Joke* was his first novel, published in Czechoslovakia a year before the Prague Spring; after which Russian tanks put an end to joking. It appeared in most of the West's languages but in English was mutilated, manipulated and cut. This is the first English version its author approves; and very finely the English reads.

It is one of those rare novels that say much about more than its ostensible subject.

The joke that ruins Ludvik's life in 1948 is a pinprick to deflate his beloved's solemnity. "Optimism is the opium of the people! A healthy atmosphere stinks of stupidity! Long live Trotsky!" he writes rashly on a postcard and is expelled from Party and university, sent into a penal battalion and, head shaven, put to work down the mines, all progress blocked, an enemy of the system he has supported, the friends he has loved.

Fifteen years later, back for revenge and reappraisal, he sees again the girl he formerly loved across a wire fence. Then she stole flowers from a graveyard to bring him. Ironies of fate and personality and even history make his vengeance meaningless. The hard-liner who fixed his expulsion not just from the Party but in effect from life itself has, by the liberalised mid-1960s, joined the trendies and become liberal himself. The moral wriggles to suit ideological change affect not just opinion but feeling, action, relationships.

On the nature of these changes, of love and its effects, of the particular and the general, the time factor in love and in relationships, Ludvik (who is narrator only part of the time: others take over) speaks sometimes almost as artist, creator as well as protagonist, whose life is the source of his artistry. Louis Aragon called *The Joke* "one of the greatest novels of the 20th century."

On another level altogether, Gillian Avery, always intelligent, well-informed and good company, is so much a part of the Victorian world in which she is steeped that her novels are not so much "historical" as modern in another period: *Onlookers* has it both ways, half of it being set in today's world, half a century ago, and uses one of her familiar themes —detection without crime.

Who, if not Louise Fleming, wrote Louise Fleming's Diary, a bestseller to rival the Edwardian Lady's? A prickly young academic, one of those who love yet resent the world they have climbed to from humbler beginnings, is commissioned to write a book about her. The hundred-year-old Diary has excited the devotion, almost passion, of a society dedicated to her memory. A half-hearted worshipper, he is sickened by the maudlin cult and suspicious of the Diary's authenticity, and gets his comeuppance, social as well as literary, after an appalling Oxford dinner for the true disciples.

The second half takes us back to a beautiful, vacuous schoolgirl incapable of writing the diary and its real author, Margaret, the local vicar's daughter. Taking over the persona and history of Louise and therefore hiding behind her, Margaret experiences the reticent wooing of handsome Sir George, with whom she is secretly, awkwardly in love; and, as if writing a novel, she uses her own experience of the countryside, its people and its doings, to make a story out of the months before Louise's engagement. The Victorian atmosphere is superb, so authentic; it just belongs there, like the understated furniture and fittings.

Craig Nova's *The Good Son* is a curious, attractive American novel written in a style so relaxed and low-key you scarcely notice, at first, its dramatic oddities, its at times almost gothic grotesqueness. The time is the early 1950s, the America a rich eastern country of strong social contrasts (I was reminded of *Five Easy Pieces*), the son a veteran of the second world war whose experiences in it make him unsuited, at times, to the life expected of him and his father's social ambitions — the suitable marriage, the polo, the broad acres. As in Kundera's book the narrator shifts, chapter by chapter, spreading the emotional load. An impressive novel at times, it nonetheless slips away towards the end, leaving one wondering, unsatisfied.

Gillian Avery and Milan Kundera whose novels reviewed today range from Victorian England to contemporary Czechoslovakia

Tararaboomdeay!

BY BARRY RILEY

The Coming Boom
by Herman Kahn. Hutchinson, £7.95, 237 pages

Herman Kahn appears to have mostly stopped Thinking About The Unthinkable; his latest book often seems more like an exercise in wishful thinking. It reflects a significant shift which can be seen among many other right-wing American economic writers—all the books on crisis and slump have disappeared from the shelves, to be replaced by tomes excitedly discussing the "new boom." The coming boom, according to the subtitle of the book, will not only be economic but also political and social, though it never becomes very clear just what a social boom might be.

The reason for this shift in U.S. economic publishing is not merely that the market for doom and gloom has been satiated—though that may have played a part—but also that this is very much the territory of long cycle theory. Such cycles move downwards, but also, in the end, they turn up. Kondratieff foreshadowed a crash bottoming out some time in the early 1980s, and the optimistic way of looking at that is to say that the upturn is about to begin. Kahn prefers to talk about the Archetype Long Cycle, which starts with A Sobering Context (roughly where we are now) and proceeds through An Expansion Psychology; eventually reaching, however, A Day of Reckoning.

Perhaps all this is what one would expect from a famous scenario merchant, but it is a little disappointing that he does not concentrate upon justifying his framework. Part of the impact is lost through the vagueness of some of the writing. For example, at one point he writes: "Our contention is not entirely provable, but it's based on more than sheer speculation." And again:

"The economy will to some extent be dynamic, though not highly so." It is hard to know what such statements mean. But more damaging is Kahn's tendency to shoot off at a tangent, spending many pages in devising artful solutions to financing problems, or promoting schemes for low tax systems (in the U.S., 8 per cent VAT and 12 per cent income tax would do the trick if applied across the board, he thinks).

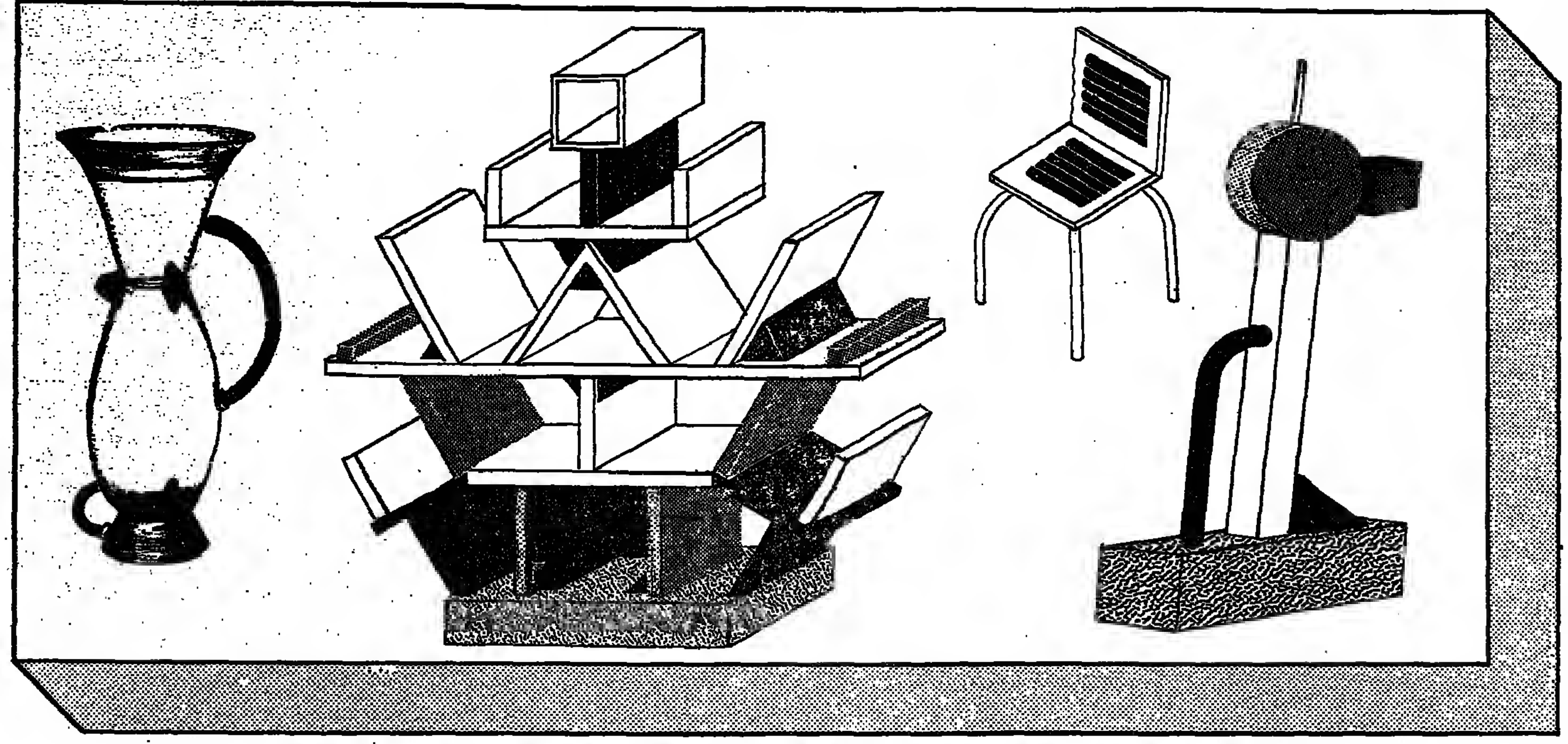
Thus Kahn's views on inflation accounting are unoriginal, and do not easily fit into a vision of global recovery. There is too much micro in the macro. However, his central theory is certainly an optimistic one. Although the U.S. economy has been treading water as its citizens learn to deal with many current problems (for instance, high energy prices) many corrections are being achieved. The result will be revitalisation, and U.S. GNP could double between 1980 and 2000, when poverty as at present defined will have disappeared from the U.S. "except as pathology or personal choice."

A key factor underpinning this revitalisation will be the exploitation of new technology. The economy will move up an S-shaped curve through a super-industrial phase, followed in the early part of next century by a transition to a post-industrial society (though he is vague about what this might be).

But what about alternative scenarios? Will we be incinerated by nuclear war, will there be an ecological catastrophe from pollution of the biosphere, will there be a genetic calamity from the use of new chemicals or will resistant pests and viruses cause worldwide famines or epidemics? "Highly unlikely," thinks Khan. Let us hope so.

HOW TO SPEND IT

by Lucia van der Post



THE SHAPE OF THINGS TO COME

Anybody who has any serious interest in what is happening to domestic design today and who hasn't already been to the Memphis exhibition at The Boilerhouse at the V and A should hurry along to Liberty of Regent Street, London W1 and take a look at the whole Memphis collection of furniture and artefacts that are gathered there from Tuesday onwards.

Liberty has bravely decided to give this highly idiosyncratic collection a retail platform in London so that people may not only see but also buy any piece if it happens to appeal and if they have a cheque book ample enough.

Memphis, for those readers who have not caught up with the phenomenon, could be called the newest, most anarchistic, most avant-garde of the design movements currently around. The sketches above will give you some flavour of the collection.

Started in Milan in 1981 by a group of radical architects and designers (led by that 65-year-old enfant terrible of the Italian design world, Ettore Sottsass) *it* created an instant sensation among the world's press gathered there for the annual *furniture show. Its bright primary* colours, its deliberate flouting of all the previous rules in the design book ("form should follow function," "fitness for purpose," "less is more" et al) its use of jazzy plastic laminates, its wayward shapes, its conscious sending-up of the whole "good taste" ethic, had the design press reaching for their notebooks and polishing up their adjectives. It was variously greeted as a significant new movement, an important design statement, and, alternatively, as a *self-indulgent* exercise by a small inner clique deliberately setting out to provoke.

Both points of view, of course, are true. Anybody who thinks the whole business is just a joke should think again. If it were, it would be a very expensive joke, for Memphis, with its airy premises in Milan's Corso Europa 2, costs the kind of money to run that people don't spend just for fun.

Ernesto Gismondi, head of the highly successful Artemide company, *producer of endless streams* of conventionally beautiful and internationally acclaimed lights, is investing large sums in Memphis not just for fun, not just on whim, but because he believes there is no other way forward. He believes *that the whole*, existing design language has been exploited to the full. Everything that could be said in that language has been said. He believes that the public, perhaps as yet still subconsciously, has had enough of the whole beautiful, rational over-refined approach to design and that it is yearning for something different.

He doesn't pretend that he can be sure that Memphis is the answer. He only would claim that Memphis poses the questions that have to be asked, however expensive the exercise turns out to be. Not a man to stand on the sidelines and applaud loudly while other people take the risks, he wants to be right in there in the midst of the hottest design debate for decades.

The sort of questions the Memphis collection poses have been admirably put by Penny Sparke in her "Reflections on Memphis" written for the leaflet printed for The Boilerhouse exhibition. "How can we avoid the autocracy of good *taste? How can we turn the meaning of the object from one of status to one of ritual? How can we re-*inject vitality, wit and openendedness into design? How can we sidestep the overwhelming power of manufacturing companies?"

Anybody who *stops* to think about the nature of the objects with which most of us surround ourselves will realise at once that these questions do need to be asked. Most of us have accepted for so long the dictats of the "good taste" approach to design. The pop movement of the Sixties did something to break the mould, injecting some wit, vitality and freshness into the over-severe, over-rational approach, but once the ripples closed over that particular stone Bauhaus reigned once more.

Memphis is for those who don't believe in certainties, who feel that to be alive at all is to ask the question "Why?"

So go along and view the Memphis collection. What you think of it hardly matters—it just matters that you think.

Anybody who falls in love with any of the pieces will be able to buy—if the one on view has already gone, it will be possible to order another. Prices will strike most of us as *irritatingly high—the cheapest* item on sale is a white porcelain cup called Onega, designed by Matteo Thun at £18.50. There is also a beautiful white porcelain tray by Matteo Thun which costs £150 and on it, exquisitely arranged, is a *collection of white porcelain objects*—a pepper box, salt shaker, toothpick holder and tray, £25 each.

Second left is the Carlton Sideboard by Ettore Sottsass. Its colours are a large part of its character—bright orange, chrome-yellow, red, olive green, pink, yellow cream and black and it all adds up to one of the most idiosyncratic sideboards I've seen but £5,250 is a high price to pay for such individuality. The Riviera chair in wood and laminate, second right, by Michele de Lucchi *costs* £220. The Tahiti table lamp with a black and white laminate base, bright yellow stem, pale pink globe and red outlet, is by Ettore Sottsass and is £400. Finally, the Altair Amphora.
Sottsass and is £650 (shown on left).

Though the prices are undoubtedly high and the pieces seem quirky, there are those who believe that these will be true collectors' pieces of the future. Karl Lagerfeld, designer for Chloe and now for the Chanel *couture house*, has filled his house with Memphis pieces. What it all adds up to is an exciting adventure. Nobody can be sure where it will all lead. As Ernesto Gismondi himself put it: "We are making a (design) revolution and *revolutions* are never sure or certain."

Postscript

INSTEAD OF wasting precious time in Florence or Venice tracking down those beautiful little shops that specialise in exquisite Italian papers you can now buy from a small exclusive *shop in London instead*. Called simply The Italian Paper Shop, it is to be found at 97, Lower Sloane Street, London, SW1. There you will find all the authentic marbled papers, the printed Florentine ones, the original Carta Varese hand-blocked sheets at prices that range from 30p and go on up to £5 a sheet.

For 30p you could buy some printed Florentine paper, while your £5 would buy you a sheet of Florentine or Venetian marbled paper. The original Carta Varese hand-blocked sheets vary between £2 and £3.50.

The shop is a mecca for bookbinders but the paper is also used for covering table-tops, furniture, trays and other objects—flour and water paste, the shop tells me, is the best glue to use for such purposes.

For those who like to buy their objects ready-made there are photograph albums, address books, sketch books, pads of writing-paper, box-files, desk sets, blotters and endless other small items covered in these infinitely varied and beautiful papers. There are also painted marbled papier-maché masks, wooden animals created out of marbled paper, and kaleidoscopes. Anybody who has seen the papers will remember the delicacy of the colours and the amazing variety of the hues in which they come.

There is, alas, no mail order service available as yet but the shop does *sell* a unique wall-stencilling kit by post. For £13.50 you can buy a Roller-decor kit—this includes a machine or small tank to hold the paint plus a roller with one of the stencilled patterns they sell. There are some 50 different patterns, all of which provide a relatively easy way of giving a painted wall a hand-finished look. Extra rollers are £4.50 each. Write to the shop for details.

IT appears that something like 86 per cent of video cassette recorder owners use their machines for recording programmes at an inconvenient time and then watching later when they have the time. Comforting to know we're not turning into a nation of soft-porn addicts. But for all those who, having recorded something into that small black oblong box fail to remember exactly which programme it is, Warnes Wipers have an answer to the problem.

For £1.99 you can buy a small kit which includes 12 stick on *labels and a special pen. Once stuck on these labels can be used and re-used almost ad infinitum — the label has a special surface onto which is written the name of the programme recorded. When it is changed, the title can simply be wiped off with a damp cloth and there is a clean label, ready for re-use. Called "Write 'n wipe" you can buy them by post from Warnes Video Labels, 23, Werter Road, Putney, London SW15.*

THOSE who are themselves left-handed will no doubt be aware that some 10 per cent of the population is left-handed and that of those under 40 years of age the proportion is nearer 1 in 8. Readers who find themselves in this largish minority group will no doubt remember the Men and Matters piece just before Christmas which showed that there was a very low level of left-handedness among chief executives in the U.S. compared with the nation as a whole. Lest any left-handed aspiring chief executives be downcast by that information, further research assures them that this is due almost entirely to the fact that when these American executives were at school it was very much the fashion to try to turn left-handed children into right-handers.

Be that as it may, now that it is all right to admit to being left-handed, services have sprung up to cater for their needs. Left-handed by Post for instance, will sell anything for left-handers by mail—whether it be pens, potato peelers or corkscrews.

Alastair Cowan, who runs Left-handed by Post, informs me that proper left-handed scissors are what the left-hander most needs—if not properly designed the left-hander can't see the cutting action and the movement actually forces the blades apart instead of together. He sells 22 different types of special scissors by post, from nail scissors to 12-inch carpet shears.

Then there are tin openers, an address and telephone book with left-hand index, fountain pens and devices to help the left-handed bricklayer or gardener. Write to Left-handed by Post, Noddfa Lydart, Monmouth Gwent (enclosing two second-class stamps) for a comprehensive brochure and price list.

Batter times ahead

BY JULIE HAMILTON

MENTION the word pancake and my children come running from all directions, expecting to find piles of them swimming in lemon and sugar, served instead of any meal you care to *think of*.

If I told them that the cannelloni they had yesterday was in fact stuffed pancakes they would be horrified that I could have ruined so special a food.

The versatility of the pancake makes it rate very highly in my culinary calendar. When the larder is suddenly lacking in all those handy items like pasta, rice, beans, or even potatoes, remember the pancake. It can stand in for almost anything.

Take this idea, for example, which is very popular with my family.

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CRISPY PANCAKE NOODLES

With a basic pancake mixture (such as 2 eggs, 4 tablespoons flour, 1 tablespoon olive oil, ½ pint milk and a pinch of salt, left to stand for 1 hour) make a number of not-too-thin pancakes and allow them to cool. When cold, cut them into strips about the width of a *tagliatelli* and deep fry, not too many at a time, until crisp and golden.

Serve sprinkled with a little salt and offer a really concentrated tomato sauce made with onions, garlic, marjoram, chilli and anchovy essence to accompany grilled meats or even cold meat.

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Now think of the pancake as if it were lasagne or cannelloni. *Just imagine the* scope it offers. Use exactly the same recipes, just substitute pancake for pasta.

Layered pancakes make a change from the rolled-up, stuffed way of presenting them. Here are two recipes I have developed which work very well either as lunch or supper dishes or as a starter at a dinner party (especially the salmon recipe). Served with a very delicate mayonnaise they are also good cold. The pancake recipe above will make eight to 10 depending on thickness and the size of pan.

LAYERED PANCAKES WITH BEEF AND SPINACH

Serves 5 or 6 (8 as a starter).
10 pancakes; 1 lb minced beef; 1 lb spinach; 6 oz cottage cheese; 1 heaped tablespoon Parmesan cheese; a good bunch of fresh parsley; 2 tablespoons tomato purée; 1 glass red wine; 3 cloves garlic; juice of ½ lemon; 1 egg; 2 oz butter; 2 tablespoons cream; plenty of freshly ground black pepper; salt.

Finely chop the parsley and two cloves of garlic and lightly fry in a little oil. Add the minced *beef* and brown it. Add the wine and tomato purée, then season. Cover and simmer until tender. Push the cottage cheese through a sieve and combine with the egg and Parmesan.

Cook the *spinach in plenty* of fast boiling water for about five minutes then purée it, adding the garlic, 2 oz of butter and lemon juice. Season generously.

Select a deep soufflé dish or *terrine* that has roughly the same circumference as your pancake. Lay a pancake on the bottom of the dish and spread a layer of the meat over it. Cover this with another pancake, followed by a layer of *spinach*, a *pancake*, a layer of cream cheese, pancake, meat and so on until all the ingredients are used. Finish with a pancake on top of the cream cheese. Dot with butter, sprinkle with Parmesan and pepper and pour the cream over. Cover with foil and bake in a hot oven until bubbling—*approximately* 25 minutes.

To serve, cut like a cake, in wedges. If you are serving this as a lunch or supper dish, tomato salad is all you need as an accompaniment.

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SALMON LAYERED PANCAKE

Serves 4 (or 6 or 8 as a starter)

I would love to make this recipe with fresh farmed Scotch salmon but as yet the price does not encourage me to cook in such a way when tinned salmon will pass very well.

1 (220 grammes) tin pink or red salmon; 6 oz curd cheese; half tin anchovy fillets; 1 teaspoon lemon juice; 1 teaspoon hot *chilli* sauce; 1 egg, a good pinch of marjoram; 1 lb French beans puréed with 2 oz butter; ½ teaspoon allspice; salt and plenty of freshly ground black pepper; a few drops of wine vinegar; 8 pancakes.

In a food processor combine all the ingredients except the puréed French beans. Taste and make sure that it is strongly seasoned. Now proceed in the same manner as for the previous recipe, dotting the top with butter and Parmesan but no cream. Cook covered in a hot oven for about 25 minutes (approximately 375F to 400F (gas mark 5 or 6). Serve as before.

An excellent stuffing for pancakes can be made with cream cheese (or ricotta or cottage or curd) and finely chopped (not puréed) *cooked spinach* combined together with an egg beaten into the mixture. The pancakes are rolled up and arranged in one layer in a gratin dish. Spoon sour cream over them and put in a hot oven for about 15 minutes.

Perhaps you would prefer these Hungarian pancakes.

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GREEN PANCAKES

Batter made with ½ lb flour, 2 eggs, 1 teaspoon caster sugar; ½ pint milk, a pinch of salt; ½ lb cooked and very well drained spinach, seasoned with pepper and pushed through a sieve; 3 or 4 oz grated cheese.

Combine the batter and the spinach together and fry in the usual way to make green pancakes but they should be a little thicker than normally. Spread grated cheese on each pancake, roll up and arrange in an oven-proof dish. Just before serving beat through in a hot oven for about five minutes.

Here is another Hungarian recipe which stimulates the imagination.

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GARDENERS' PANCAKES

As many pancakes as you need; mixed, cooked vegetables in season, drained and coarsely chopped; 8 fl oz sour cream; 4 oz grated cheese of your choice.

Combine the grated cheese and sour cream. In a terrine or casserole layer the pancakes and cook as previously described for the salmon recipe. Add cubes of cooked ham or flaked smoked fish or lots of herbs—almost anything you fancy. Serve it as a first course or main course or simply as a vegetable dish to accompany roast or plain grilled meat.

You could prepare several a day or so ahead and cook them at the last minute for a party. And you can experiment with the fillings. Try different puréed vegetables, for example, paying attention to colour as well as flavour, and minced cooked chicken flavoured with paprika (which also colours it). Or try different curried vegetables, layered with slightly thickened yogurt combined with an egg. To thicken yogurt hang it up in butter muslin to let the whey drip out. Do it for an hour or so, depending on how thick you want it.

And, of course, you can use the same technique for a dessert layered pancake — cream cheese flavoured with almost any fruit and an egg added.

Or make a thick compote of pureed fruit alternated with sour cream or yogurt. Add chopped toasted nuts to one of the layers. Fry breadcrumbs in butter until crisp, add allspice and sugar and use as an in between layer to add another texture as well as flavour.

Finally a Sunday night supper dish.

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3 or so pancakes per person (they could have been made ages ago and frozen between sheets of greaseproof paper); 1 small egg per person: portion of chopped mushrooms per person: 1 chopped onion; some finely chopped parsley; sour cream or double soured cream with a little lemon juice.

Fry the mushrooms, onions and parsley in butter, covered for about 6 to 8 minutes. Season generously with salt. Beat the eggs well and *add them to the* mushroom mixture. Stir well and draw off the heat. Now spread this well-seasoned, runny mixture over each pancake, rolling them up as fast as possible to prevent the mixture oozing out too much. Place stuffed pancake in an ovenproof dish, seam down in one layer, cover with sour cream and bake in a hot oven for 15 minutes. Serve with hot French bread.

ARTS

Doom and gloom

I complained last week about the predictability of the events in a play where a railwayman marked the unwelcome end of his working life by walking in front of a train. Last Sunday, in George Baker's *Just a Hunch*, Capital gave us an identical plot, only this time it was an old Polish-born lady whose 33 years in a bread-shop were terminated when the shop was sold. Helena (movingly played by Miriam Karlin) didn't behave so predictably: she went to a farewell party given by her ex-boss, where she talked happily with an assortment of characters who might all have set off sub-plots, but in the event were only stage-dressing, and then went off to her fate under a train on her home-bound route.

Two railway suicides in a week is alarming as an indicator of current thought; but *When the Wind Blows*, Radio 4's Monday Play, was more alarming. This was adapted by cartoonist Raymond Briggs from his own cartoon book. It

RADIO

B. A. YOUNG

tells of the adventures of Jim and Hilda, chracters that have appeared in Mr Briggs's previous works, when they decide to build a nuclear shelter. Jim (Peter Sallis) is a practical chap, and with the aid of a couple of official handbooks that don't always give the same advice he runs up a shelter for the pair of them. Hilda (Brenda Bruce) pays him little attention, being always more concerned with the details of everyday housekeeping, which she seems to imagine will continue unchanged after the bomb.

They survive the explosion of the pre-emptive bomb all right, but they have only the vaguest ideas about fall-out, which they envisage as a kind of snow. So they succumb miserably to radiation sickness. Me, I'd rather die under a train; but that is a fate that can be avoided with reasonable care. On the other hand, if it's Mr Brigg's theme that we're all going to have to cope with nuclear fallout sooner or later, and might as well get used to the idea, he may find the trains ploughing through hordes of dispirited citizens one day. His couple are simply-drawn simple people who converse in what sounds like the writing in cartoon balloons. The evocative direction was by John Tydeman.

Hilda was upset because after the bomb she couldn't hear *The Archers*. I bet she will be able to. The BBC carried on wonderfully between 1939 and 1945, and *The Archers* will be the ideal emollient between the Government instructions we shall be deluged with. Much of Radio 4's drama is deliberately emollient. Take a play like *Sirens* by Carolyn Sally Jones last Wednesday. A chap takes his family to Greece to spend a holiday with a former schoolmaster for whom he had a worshipful admiration as a boy. The schoolmaster has a young wife. He is still capable of inciting the same kind of feeling in his ex-pupil (which I suspect was not altogether how Miss Jones imagines it). We have, in fact, a good old emotional quadrilateral—admirable entertainment for a Wednesday afternoon in the shelter, but not much to do with life at the top.

And just as well. Last Sunday Radio 4, in a very unemollient mood indeed, gave us an hour's talk on schizophrenia in *The Image of a Troubled Mind*. I found it fascinatingly interesting, but, as with all radio (or newspaper) advice about health, I felt there must be a danger that we who listened to it might decide that we were sufferers. (The diseases I've caught from the pages of books!) In days of post-nuclear stress we might easily decide that we should be liable to "go mad," and it is a sort of consolation to know that schizophrenia appears to arise from physiological causes, not environmental. Less of a consolation, perhaps, to know that it may be genetically transmitted. No objective test is known, or foreseen, for diagnosis. (In the U.S. until lately "schizophrenic" just meant "unsuitable for private psychotherapy.") At any rate it is good to know that we can rule out environmental stimuli of the kind that Jim and Hilda undergo.

Radio 1 staged an exciting debate on Tuesday on the proposal (to be debated the following day by the Oxford Union for the second time in 50 years) that "This House will not fight for Queen and country." Tariq Ali proposed; the Rt Hon *Douglas Hogg opposed; Simon* Bates was an able chairman, and lots of people phoned in, almost all under the impression that they were talking specifically about nuclear warfare. Telephoned voting ran 5,943 for the motion, 4,221 against. At the Oxford Union the vote went decisively the other way.

Peter Blake in front of "The Definitive Nude" panel of paintings.

William Packer reviews the career of Peter Blake

Bewitched by fairies

Peter Blake, that wonder-child of British Art (was it really so long, all of 20 years and more, ago?) is now just turned 50 and enjoying at last the full retrospective at the Tate that he has long deserved. He is wise enough, moreover, to acknowledge his luck in having had to wait so long, in having been left out of that first, perhaps premature round of celebrations visited upon his peers ten years or so ago. Fifty, after all, is no great age and certainly not for an artist of Blake's temperament, experience and quality. And in his particular case, the evidence of his career so far, as it is now presented, suggests that there could be no better time for a fresh start, a redirection of creative energy and application.

To criticise his work, in the true and serious sense, is not necessarily to damn it, but rather, by measuring it against an independent response, to encourage and perhaps to help: but Blake seems unable, or unwilling, to accept the distinction. He is also honest enough to confess his hurt at adverse criticism; and the stockpile of spent slings and arrows, which he exhibits in his supplement to the catalogue, makes the point for us. There, alongside a number of admittedly crude and ignorant assaults that must have hurt like mad, we read at least as many that are clearly well-meant, perfectly legitimate, and even complimentary in their inference (a small hatch of Good Reviews follows; and as I am quoted in both Good and Bad, I have nothing to complain of, than a misprint).

To be fair, the obloquy has fallen on him pretty generously throughout and precipitated rather more by the nature of his interests and pre-occupations than by the fact of the work. His particular engagement these dozen years past with images of Faery and childhood continues to whip up quite a storm, but accusations of triviality, tastelessness and waste of talent marked his Pop years too. But a painter's interests are his own affair and what he makes of them as paintings is the real matter.

And how good the paintings of Blake's first 15 years are, from his student days to the middle sixties and most especially those of the middle fifties around the time he left the Royal College. There we see him as a true original, a natural Pop artist in that in advance of the critical label his fascinated, entirely sympathetic and unselfconscious concentration upon the bric-a-brac of his own everyday world, was as unself-consciously absorbed and expressed through his Art.

The lapel badges, the plimsolts, the Player's Weights packets and the Spiv and Wide-Boy ties, the spotty urchins off to the Saturday Morning Pictures: it was all natural and immediate to his personal experience and yet stated with an innate formal sophistication and inventiveness that was quietly influential. How easy his progress from the ABC Minors, with their comics, to his Circus Ladies, with their tattoos and gew-gaw glitter, Dixie, Darling of Midway, and Siriol, She-Devil of Naked Madness and how easily their balloon heads and bungy limbs were to become the commonplace of sixties student imagery.

In every case the statement is reconciled to the image to a nicety, the scale just so, the technique immaculate but never insistent, just enough said, or rather done. Nothing of it is very large, which is an important point: and so it continues through the wrestlers, pin-ups and strippers of the sixties, small works, certainly so by modern standards, jewel-like in both their precision and surface. For Blake is not by nature free and uninhibited in his work, but will refine and fix, if possible, absolutely. Many of these things are left unfinished, unconsummated as it were, but at this time there is imminent in the work an intelligent and practical tension.

So we move on to the end of the sixties, to the Alice water-colours and then the enduring preoccupation with Titania and her Faery Court: and something of that old tension remains, here and there, and something has gone. Quite what it is, is hard to say—something as intangible as a personal confidence or belief in the work, perhaps. Certainly, looking back at that older work, confidence is one of its principal qualities, and with it walk a commitment to the image and a finality that remain impressive. Even those simpler, and generally larger works of the time, the Pop and Film Star doors and walls, part collage and part a bright and simple modern heraldry, are full of energy still, and have lasted very well.

What can be said is that up to the middle, even the later sixties, Blake never seemed to doubt his own capacity to live off the extraordinarily rich diet of imagery on which he had grown up. That process of assimilation and, if you will excuse the metaphor, expression was, in the best sense of the word, thoughtless. But then, perhaps, came a moment of self-awareness, and with it self-doubt. The heresy that the artist really should work upon a programme of ideas creeps in.

It is not at all by chance that the best of the fairies are the smaller studies, the lists and categories, the half-starts and early suggestions. What to do with the material is the problem; and where Blake continues to be at his most exasperating is in the amplification, in the self-conscious machine, the great work. For we live in an age that still persuades the artist that larger is better than smaller; and he forgets that Chardin, Watteau, Vermeer, de Hoogh were masters too. Blake cannot sustain the large scale in paint, which is a matter of fact and not at all of shame. Nor does he need to prove himself to us by telling a story, expounding a theme. Let him read Margaret Murray on the Little People as much as he likes: but the more like his little boys, off to the pictures on a Saturday morning, his fairies are, the more true to him they are likely to be.

Don Juan the Lover

by MICHAEL COVENEY

The thrust stage at the Crucible Theatre in Sheffield has been transformed into an Andalusian bullring of white heat and red dust. From an upstage grandstand, the cast observes the blood lust of an amoral matador in red silk, Patrick Mower dashing in style and flashing of smile, enters through the audience to manipulate the crowd's applause, the theatre's lighting — and the affections of the world's women.

This remarkable opening to Michael Boyd's production of *Don Juan the Lover* is the first of many confidently executed pleasures. Mr Boyd is one of our most talented young directors and his own version of the legend is adapted from two principal sources, Molière's play (1664) and the first of all Don Juan stage fables, Tirso de Molina's *The Trickster of Seville* (c. 1630).

The inter-weaving results in a sunburnt adventure story with a strong dialectical spine. From Molière we have the Don and Sganarelle debates, and incidents such as the meetings with the beggar and the creditor Dimanche; from Tirso, the picturesque and evocative seductions of Aminta at a country wedding (staged like something by Lorca, complete with castanets, guitars and peasant dancing) and of the beautiful Thisbe in a Mediterranean fishing village.

We have a chase on two saddled, flying wire horses, the knockabout antics of Philip Whitchurch's likeably Liverpudlian Sganarelle and, most important of all, a growing sense of menace and revenge as the Don goes laughing to his destruction. Blood-stained sheets are hung round the ring as each virgin is conquered, women litter the circumference with dolls in swaddling clothes. The black-garbed ghosts of Donna Elvira and the others drape their seducer in the sheets. And Patrick Mower is last seen pathetically chatting up a huge Madonna, a statue that eclipses that of the Commander.

It all makes for a splendid spectacle but also conveys a sense of Juan's crimes against Catholic womanhood. Mr Mower projects the right mix of glamour and glee that ensures our fascination with this hedonistic playboy who would couple with the whole world and whose blood is up at the sight of other men's happiness.

The show is brilliantly designed by Peter Ling and very well lit by Geoff Mersereau. Classical statues around the bullring double as chill marble relics in the church, the ringside seats serving as pews. An arena of macho triumph becomes at last a temple of judicial intervention.

Music of America

by DAVID MURRAY

ON THURSDAY we heard the last of an enterprising series by the Lontano ensemble at St John's, Smith Square, for which their Cuban-born director Odaline de la Martinez assembled recent music from the various Americas and from British sympathisers. Among the latter was *Canti Lunatici*, a moonstruck cycle by Bernard Rands (who now lives in California) for soprano—the excellent Elaine Barry from Electric Phoenix—and nine instruments. Rands' choice of poems to set suggested that concision and variety were his aims; the sonorous texture of the music generally sounded lazier than that, heavily reliant upon rippling backgrounds and the occasional vivid reminiscence of Rands' teacher Berio. It went down easily, leaving an impression of less than met the ear.

The undemanding flow of those *Canti* did at least flow; the *recherché* instrumental effects of a "Concerto for 8" by the Mexican Manuel Enriquez remained a bald catalogue of tricks, each brandished briefly and then snatched away to make room for another. The Lontano players were greatly resourceful, but no coherent sequence made itself felt, nor any evident expressive intention. There were much more interesting promises in the only U.S.-American work: Elliot Schwarz's Chamber Concerto II, quick-witted and ironically self-conscious. The clarinettist Antony Pay made a dashing guest appearance, but another performance should set more of Schwarz's little vignettes—cartoons, snatches, remarks—in high relief: the music has more facets than Lontano had time to polish.

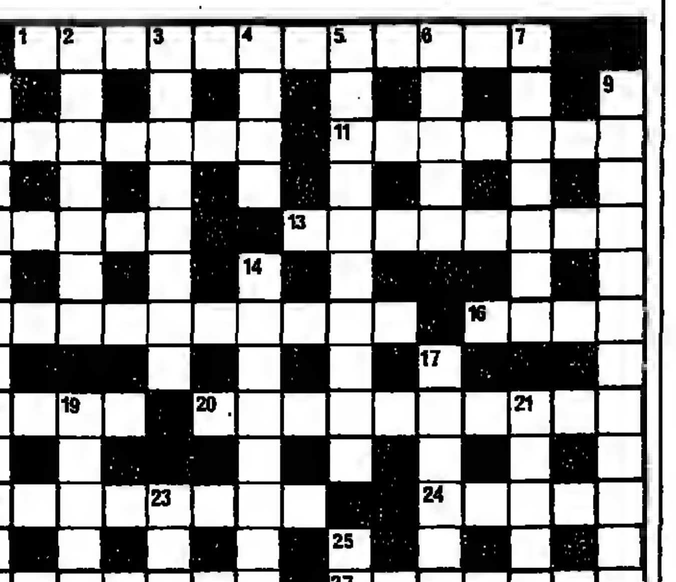
F.T. CROSSWORD PUZZLE No. 5,096

A prize of £10 will be given to each of the senders of the first three correct solutions opened. Solutions must be received by next Thursday, marked Crossword in the top left-hand corner of the envelope, and addressed to the Financial Times, 10 Cannon Street, London EC4P 4BY. Winners and solution will be given next Saturday.

Name ....

Address ....

....



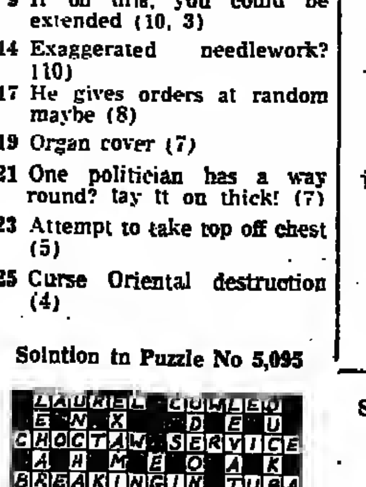
ACROSS

1 Fine victory by George—second off Kent coast (7, 5)
10 . . . and in Germany therefore, endure something painful (7)
11 Lassitude of Archbishop finding nothing in old City (7)
12 To those people dropping aspirate—idle in speech (5)
13 Policeman has the weight to be in charge of building (8)
15 Manor is got possibly for rural economist (10)
16 Wartime wardens come back by acceptable sailing boat (4)
18 Distinctive garb has no limits in Bucks (4)
20 Degrees the reason for his progress? (10)
22 Rushed back to bed I see—sounds like a drug (8)
24 Administers a 22 (5)
26 Shift ground before start of dealing (7)
27 Titian say has energy to be public performer (7)
28 A Harrow number 2223 (5, 5, 2)

DOWN

2 Master's mate is getting on (7)
3 It's nullifying when many go to wrong termini (8)
4 One firm not starting a 12 (4)
5 Metal edge seen on board (10)
6 Saw return of composition (5)
7 She's a Knockout (7)
8 A pommy for one (14)
9 If on this, you could be extended (10, 3)
14 Exaggerated needlework? (10)
17 He gives orders at random maybe (8)
19 Organ cover (7)
21 One politician has a way round? Lay it on thick! (7)
23 Attempt to take top off chest (5)
25 Curse Oriental destruction (4)

Solution to Puzzle No 5,095

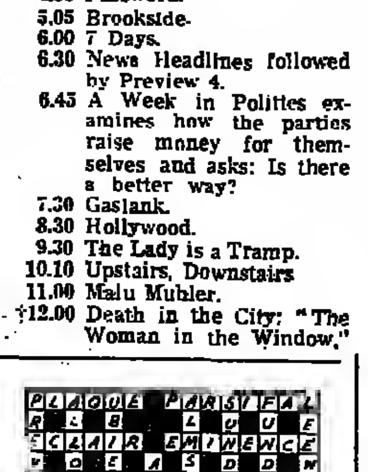


SOLUTION AND WINNERS OF PUZZLE No 5,090

Mrs M. Kendrick, 14, Hathaway Road, Shirley, Solihull.

Mr R. H. T. Womack, 2, Wicket Hill, Farnham, Surrey.

Mr D. J. Whittle, South Wing, Hale Park, Fordingbridge, Hants SP6 2RF.



BBC 1

†Indicates programmes in black and white

†9.00 am Edgar Kennedy in "Motor Maniacs." 9.15 Hold Down A Chord. 9.30 Saturday Superstore. 12.12 pm Weather.
12.15 Grandstand including 12.50 News Summary; Football Focus (12.20); Boxing (12.55) Highlights from last night's match between Tony Sibson and Marvin Hagler; also a look at the week's Barrett/Duff promotion; Racing from Newbury (1.20, 1.50, 2.30 and 3.15) and 3.00 Wessel Industries Champion Hurdle from Leopardstown; Athletics (1.40, 2.10, 3.25) from RAF Cosford. Great Britain v France; 3.45 Half-time soccer scores; Rugby League (3.55) The State Express Challenge Cup—First Round: Widnes v Leeds; 4.35 Final Score.
5.10 News.
5.20 Regional variations.
5.25 The Dukes of Hazzard.
6.15 Jim'll Fix It.
6.50 The Saturday Film: "Fathom," starring Raquel Welch.
8.25 The Les Dawson Show.
9.00 News and Sport.
9.15 Dynasty.
10.05 Wagan.
10.50 World Championship Boxing: Marvin Hagler v Tony Sibson.
11.40 Saturday Late Film: "White Lightning," starring Burt Reynolds.

REGIONAL VARIATIONS:

Wales—5.20-5.25 pm Sports News Wales.

Scotland—5.20-5.25 pm Scoreboard. 1.20 am Scottish News Summary.

Northern Ireland — 5.00-5.10 pm Northern Ireland Results (opt-out from Grandstand). 5.20-5.25 Northern Ireland News. 1.20 am Northern Ireland News Headlines.

England—5.20-5.25 pm London and the South-East: Sport South-West (Plymouth): Spotlight Sport; All other English Regions: Sport/Regional News.

BBC 2

6.25 am-2.45 pm Open University.
†2.55 Saturday Cinema: "The Hasty Heart," starring Ronald Reagan, Patricia Neal and Richard Todd.
4.35 The Sky at Night.
†4.55 Charlie Chaplin in "The Immigrant."
5.30 Buongiorno Italia!
5.55 "The Mastersingers of Nuremberg," opera to mark the centenary of Wagner's death.
7.30 News and Sport.
7.45 Willoughby.
8.10 "The Mastersingers of Nuremberg," Act 2.
9.15 Diversions.
9.25 "The Mastersingers of Nuremberg," Act 3.
11.30 News on 2.
11.40-12.20 am World Bowls: Highlights of today's second semi-final from Coatbridge Indoor Bowling Club.

LONDON

9.30 am Sesame Street. 10.30 The Saturday Show presented by Isla St Clair.
12.15 pm World of Sport introduced by Dickie Davies; 12.20 Boxing from St Vincent, Italy; 12.45 On the Ball with Ian St John and Jimmy Greaves; 1.15 The ITV Seven—Part 1 from Harringay; 1.25 News; 1.30 The ITV Seven—Part 2 from Harringay and Ayr; 2.25 Pool—Holsten UK Champion of Champions; 2.45 The ITV Seven—Part 3 from Ayr and Leopardstown; 3.10 Pool; 3.45 Half-time Soccer News and Reports; 4.00 Wrestling; 4.45 Results.
5.05 News.
5.15 Luna.
5.45 Chips.
6.40 Punchlines.
7.10 3-2-1.
8.10 Murder, Mystery, Suspense.
10.00 News and Sport.
10.15 The Big Match.
11.15 Saturday Stayback.
12.00 London News Headlines, followed by Squeeze/The Q Tips.
1.00 am Close: Sit Up and Listen with Barbara Leigh-Hunt.

CHANNEL 4

1.15 pm Tom Keating on Painters.
†1.40 The Gathering Storm: "Address Unknown," starring Paul Lukas.
3.00 The Double Headed Eagle (documentary tracing the rise of the Third Reich in Germany between the wars).
4.35 Password.
5.05 Brookside.
6.00 7 Days.
6.30 News Headlines followed by Preview 4.
6.45 A Week in Politics examines how the parties raise money for themselves and asks: Is there a better way?
7.30 Gaslank.
8.30 Hollywood.
9.30 The Lady is a Tramp.
10.10 Upstairs, Downstairs
11.00 Malu Mulher.
†12.00 Death in the City: "The Woman in the Window," starring Edward G. Robinson.

S4C (WALES)

1.40 pm Shakespeare Lives: "Richard III" (Part II). 2.05 Common Interests. 2.30 The Spanish Civil War 3.25 The Tube. 5.00 Yr Awr Fawr. 6.00 Upstairs, Downstairs. 7.00 Twyllo'r Teulu. 7.30 Newyddion. 7.45 Minelon 8.30 Cyngerdd. 5.10 Y Maes Chwarae. 10.00 The Irish R.M †11.00 Sam Goldwyn Presents: "Raffles."

All IBA Regions as London except at the following times:

ANGLIA

0.35 am Welcome Back Kotter. 10.05 Star Fleet. 10.15 pm Match of the Week. 12.00 Portrait of a Legend (Petula Clark). 12.30 am At The End Of The Day.

BORDER

8.40 am Kum Kum. 10.05 Star Fleet. 10.15 pm Match Time.

CENTRAL

8.40 am Batman. 10.05 Star Fleet. 10.15 pm Star Soccer brings three top first division matches including a Midlands team in top form 12.00 Profiles in Rock: Electric Light Orchestra.

CHANNEL

5.15 pm Puffin's Pla(i)ce. 5.20 Happy Days. 5.45 Falcon Crest. 12.00 The Amazing Years of Cinema.

GRAMPIAN

0.35 am Johnny's Animal Opera. 10.05 Star Fleet. 10.15 pm Scotsport: football highlights from both sides of the Border. 12.00 Live at the Millionaire: Dave Bitelli. 12.30 am Reflections.

GRANADA

8.30 am Cartoon. 9.40 Secret Valley. 10.05 Star Fleet. 10.15 pm Match Time: The north-west's own football programme. 12.00 The Late Film: Joanne Woodward and George C. Scott in "They Might be Giants."

HTV

0.35 am Ask Oscar! 10.05 Star Fleet. 12.13 pm HTV News. 5.13 HTV News. 12.00 Barney Miller.

SCOTTISH

9.35 am Wattoo Wattoo. 8.40 The Smurfs. 10.05 Star Fleet. 10.15 Scotsport. 12.00 Late Call. 12.05 am The Two of Us.

TSW

3.25 am Look and See. 9.30 The Saturday Show. 10.30 Gus Honeybun's Magic Birthdays. 10.33 Star Fleet. 10.55 The Fugitive. 11.45 Survival. 12.12 pm TSW Regional News. 5.15 Newsport. 5.20 Happy Days 5.45 Falcon Crest. 12.00 The Amazing Years of Cinema. 12.30 am Postscript.

TVS

8.35 am Secret Valley. 10.05 Star Fleet. 12.12 pm TVS Weather 5.45 Saturday News and Sport. 5.50 Chips. 10.15 The Saturday Match, introduced by Fred Dinenage with comments from George Best. 12.00 Making a Living. 12.30 am Company.

TYNE TEES

9.30 The Fantastic Four 10.00 Star Fleet. 12.13 pm North East News. 5.45 North East News 10.15 Shoot! 12.00 "The Mackintosh Man." 1.45 am Poet's Corner.

ULSTER

10.05 am Star Fleet 1.28 pm Lunchtime News 5.00 Sports Results 5.13 Ulster News. 10.14 Ulster Weather. 12.00 News At Bedtime.

YORKSHIRE

9.30 am Gardening Time. 9.55 Wattoo Wattoo. 10.05 Star Fleet 10.15 Match Time with Elton Welsby, Dennis Law and Martin Tyler. 12.00 Making A Living.

RADIO 1

(s) Stereo (when broadcast on vhf) 8.00 am Tony Blackburn's Saturday Show. 10.00 Mike Smith. 1.00 pm Adrian Juste (s) 2.00 A King in New York (s). 2.05 Paul Gambaccini (s). 4.00 Walters' Weekly (s) 5.00 Rock On (s). 6.50 In Concert (s). 7.30 Janice Long. 10.00-12.00 Gary Davies.

RADIO 2

8.05 am David Jacobs (S). 10.00 Sounds of the 60s (S). 11.00 Album Time (S) 1.00 pm Drop Me Here, Darling. 1.30 Sport on 2—Football: Scores at 3.45, second-half commentary at 3.55; Racing from Newbury; and 2.00 and 2.40; Boxing: Tony Sibson v Marvin Hagler—report; Rugby League: State Express Challenge Cup—First Round, Widnes v Leeds; 5.00 Football Results; 5.45 Racing Results; 6.50 Final Pools Check. 6.00 Country Greats in Concert. 7.00 Beat the Record with Keith Fordyce. 7.30 Big Band Special (S). 8.00 More Melodies For You (S). 10.00 Hilversum Greets Radio 2 (S). 11.02 Sports Desk. 11.10 Pete Murray's Late Show (S). 2.00-5.00 am You And The Night And The Music (S).

RADIO 3

8.00 am News. 8.05 Aubade (S). 9.00 News. 9.05 Record Review (S) 10.15 Stereo Release (S). 11.15 Polish Chamber Orchestra (S). 1.00 pm News. 1.05 Lost and Found (S). 1.40 Henri Duparc (S). 2.00 Decade: The 1910s (S). 5.00 Jazz Record Requests (S). 5.45 Critics' Forum. 6.35 The Organ Music of Jehan Alain (S). 7.10 Henri Duparc orchestral music (S). 8.00 What Happened to the Mixed Economy? 8.40 Muffat and Handel (S). 9.30 Benjamin Frankel chamber music (S) 10.25 Henri Duparc songs (S). 11.15-11.18 News.

RADIO 4

7.00 am News. 7.10 Today's Papers. 7.15 On Your Farm. 7.45 In Perspective. 7.50 It's A Bargain. 7.55 Weather, travel, programme news. 8.00 News. 8.10 Today's Papers. 8.15 Sport on 4, presented by Tony Lewis 8.48 Yesterday in Parliament. 8.57 Weather, travel. 9.00 News. 9.05 Breakaway. 9.50 News Stand. 10.05 The Week in Westminster. 10.30 Daily Service (S) 10.45 Pick of the Week (S). 11.35 From Our Own Correspondent. 12.00 News. 12.02 pm Money Box 12.27 Alistair Cooke: The Instruments of Jazz (7) The Piano (S). 12.55 Weather, programme news. 1.00 News. 1.10 Any Questions? 1.55 Shipping Forecast. 2.00 News. 2.05 Thirty-Minute Theatre (S). 2.35 Medicine Now. 3.05 Wildlife 3.30 Scenes from Village Life. 4.00 News. 4.02 International Assignment. 4.30 Does He Take Sugar? 5.00 Asian Links. 5.25 Week Ending (S). 5.50 Shipping Forecast 5.55 Weather, travel, programme news. 6.00 News. 6.25 Desert Island Discs (S) 7.20 Stop the Week with Robert Robinson (S). 8.00 Richard Baker (S). 8.30 Saturday-Night Theatre (S) 9.58 Weather. 10.00 News. 10.15 Everything at the Garden (S). 11.00 Lighten our *Darkness* (S). 11.15 *Stop the Week* with Robert Robinson (S). 12.00 News.

BBC RADIO LONDON

7.32 am Good Fishing. 8.04 London Today. 8.33 The Magic Carpet Company. 9.03 Openings. 9.30 Corridors Of Power. 10.03 All That Jazz. 11.30 Robbie Vincent's Saturday Show. 2.02 pm Breakthrough. 5.30 The Great Camesesere. 5.30 Evening Star 6.30 Radio Replies. 7.00 Close Encounters. 7.30-5.00 am Join Radio 2.

LONDON BROADCASTING

7.00 am AM with Jenny Lacey and Magnus Carter 10.00 Jellybone with Clive Bull. 12.00 LBC Reports with Des Fahy. 1.00 pm Sportswatch with Dominic Allan. 5.00 LBC Reports with Des Fahy. 7.00 Goal Mate. 8.00 Network 0.00 Hayes On Saturday. 10.00 Nightline. 1.00 am Night Extra. 4.00 *Travel '83* 4.30 *Decision Makers*. 5.00 Morning Music.

CAPITAL RADIO

7.00 am Breakfast Show—Dave Cash. 10.00 Pick of the Pops Take Two with Alan Freeman. 12.00 Mike Allen's Music Centre. 2.00 pm Afternoon Delight. 5.00 Soul Spectrum. 8.00 Juke Box Saturday Night with Roger Scott. 9.00 Richard Digance and Folk Friends. 10.00 Roots Rockers. 12.00 Midnight Special.

CHESS SOLUTIONS

Solution to Position No. 461

(a). The game ended 1 QxP, QxBP; 2 QxRP, QxNP; 3 RxB! PxR; 4 Q-R6 ch. Resigns. If 4 .. K-Q2; 5 Q-K6 mate, or if 4... K-N1; 5 B-R7 ch and 6 B-N6 dis ch forces mate.

Solution to Problem No. 461

1 R-B8. If KxB; 2 N-K3, KxN; 3 R-K8 mate. If 1...K-Q3; 2 N-B5, K-Q4; 3 R-Q4 mate.

WINE/COLLECTING

To commemorate Saint Vincent

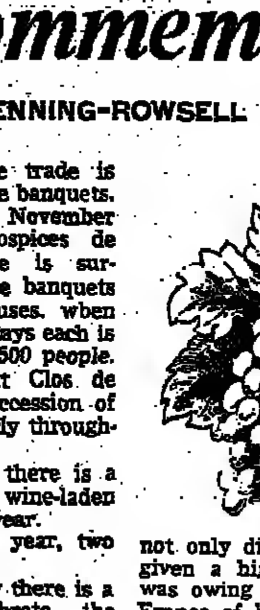
BY EDMUND PENNING-ROWSELL

THE FRENCH wine trade is addicted to large-scale banquets. In Burgundy the November auction of the Hospices de Beaune's new wine is surrounded by the three banquets of the Trois Glorieuses, when on three successive days each is attended by around 500 people. One of these is at Clos de Vougeot where a succession of these is held regularly throughout the year.

In Bordeaux, too, there is a mass recourse to the wine-laden table three times a year.
table three times a year, two in the summer.

Then each January there is a luncheon to celebrate the feast of St Vincent, patron saint of wine growers. This is a more intimate, domestic affair than the other two, usually alternating between the town halls of Pauillac and St Estèphe. In the summer functions, a great feature is the "intronisation" (literally "enthronement") of entrants, often foreigners introduced by the merchants, into the Commanderie du Bontemps Médoc et des Graves, the publicity body of growers who array themselves in appropriately medieval-type robes and who organise these three annual jollifications: no mean task.

This year, however, St Vincent was commemorated on a scale larger than ever known before in the Médoc. In Gaillan, far up the peninsular and in what is still commonly known as the Bas-Médoc a huge new building has just been complated to bottle and market the produce of four smaller neighbouring co-operatives. In the vast storaga chai of thia Uni-Médoc, as large as an aircraft hangar, hundreds of bottle-filled pallets were ranged five-high around the walls to accommodate sufficient round tables to seat more than 1,000 lunchers.



That this large number was not only dined and wined, but given a high level of quality, was owing to the existence in France of highly efficient, well equipped outside-catering firms know as "*traiteurs*" (literally "*restaurant-keepers*"), who can produce menus and service surely unequalled elsewhere in the world. St Vincent's caterer came from almost the farthest southern point of the Gironda, from about 80 miles away in Grignola near Bazas. He brought the food, cooking equipment, tables, chairs, plates, cutlery, *three good-sized wine glasses* per setting, white table cloths so that the colour of the wines could be appraised, and at least some of the staff. After the bot consommé three main courses were served (including delicious foie de canard with apples) followed by cheeses, Black Forest gateau, coffee and liqueurs—and all for FFr 120 a head to the organisers: little more than £10 even with the depreciated pound.

The lunch was the culmination of ceremonies that began with a procession of the duly-robed Commanderie from the village hall to the church where *a special mass was said by* the Archbishop of Bordeaux. There followed the *intronisation* of some 70 candidates who were not for the most part figures on the *national* or *international* wine scene, but vital cogs in the production of Médoc wines, such as a tractor driver at Latour, a *vigneron* with 50 years service and Lafite's female vintage *chef de cuisine*. If pre-prandial speeches — better at least on such an occasion than post-prandial *one*—delayed *the start of the* luncheon until 2.45, it was no fault of the efficient service that the meal did not end until 6.30.

As for the wines, they started with an excellent Médoc '78, bottled by the Uni-Médoc, followed by Ch Liversan '74 and a particularly good Ch Meyney '73. Twenty to 30 dozen apiece were provided by the Commenderies, but these were by no means all the bottles that gradually accumulated on each table. For from cartons brought in by growers bottles and magnums emerged and were circulated. By standards to which we are unaccustomed in Britain most of the wines were young, including a good many '78 *crus bourgeois* that might still seem a little hard and unyielding to us. For not only do the French like their wines "racy" and full-bodied, but I have often noticed that in France one can somehow drink with enjoyment wines that here one would consider hardly ready.

However, for this occasion I personally had had a good "running in." On the previous day at a buffet lunch in Ch Palmer's *chai* we had started with bottles of the '81, drawn from the cask; and amazingly aromatic and forward though full-bodied it was.

Moreover, St Vincent's day did not begin for me with the lunch-of-a-thousand in Gaillan. *For I was invited to a petit déjeuner vigneron* at Ch Peymartin in Ordonnac in the Bas-Médoc. In earlier times, when the winter pruning began at first light, and even perhaps today when the prompt call of *la chasse* demands prior fortification, substantial morning refreshment would have been welcome, but stout adherents to the "English breakfast" might still find it a little difficult to accommodate themselves at 8.45 am even to the most tender *bleu* entrecote *steak* that had barely passed over the grill fired by vine prunings. And to the carafes of the château's '82 that lined the hospitable long *table in its sitting room*. A deep-coloured, big fruity wine that might be fairly described now as "hearty": though the '81 was also available to accompany the razor-thin slices of Dutch Gouda, which the French mistakenly regard as the only foreign cheese worth importing on any scale.

This breakfast '82 was not the *only cru bourgeois* claret of that year which I sampled during my brief visit, and there is no doubt that it will turn out an excellent vintage: full in colour, flavour and body, with a bouquet that will certainly develop. These are surely not early-developers, but it is said that the tannins, which preserve the wines, are "soft" rather than "hard," as they are in the '75s and '78s. So they should be drinkable earlier: on this level of class perhaps after about five or six years.

Whether, under the influence of the investment/speculation market, the leading '82 classed growths come out at opening prices noticeably higher than last year, nevertheless the *crus bourgeois* should continue to be good value for money. To make a selection from among well over 100 must be the job of merchants in Bordeaux and, in Britain, but when the final blends have been made and, in the spring, experts at least can assess their qualities, many should be good candidates for buying here *en primeur*, and after bottling and delivery laying down for the years ahead.

Beasts from the theatre

BY JANET MARSH

THE LONDON theatres of the early nineteenth century went in for thrills rather than literature; and the biggest thrills were the Hippodramas and Wild Beast Spectacles offered at Astley's Amphitheatre, and the Royal Circus. At these establishments the stage was extended to take in a circus arena, and the dramatic spectacles—with titles like *The Battle of Waterloo*, *The Courier of St Petersburg*, *The Blood Red Knight* or *The Horse of Tray*—always ended with an epic display of horsemanship.

These Hippodramas were first invented by Philip Astley; but it was Astley's brightest star, Andrew Ducrow, who memorably defined the aesthetic principle of this sort of thing: "Cut the dialect and come to the 'osses." Even Ducrow had to share the limelight with the animal stars—which did not number only 'osses. The rage of the 1830 London season was an elephant called Mademoiselle Djeck, who appeared at the Royal Adelphi Theatre in *The Royal Elephant of Siam and the Fire Fiend*, in which the 10-foot heroine gallantly rescued her royal master from the prison where he had been incarcerated by a vile usurper.

For several years after this elephant dramas were the rage, and Wombwell's Menagerie toured *The Royal Elephant of Siam* for many years.

In 1838, however, horses and elephants were both eclipsed by the arrival in London of the young American lion trainer Isaac Van Amburgh, who was generally credited as the first man to put his head in a lion's mouth.

A rival to Van Amburgh appeared the following year, in the *handsome*, 6 ft 2 in shape of John Carter, the Lion King, who distinctly upstaged Van Amburgh by making balloon ascents with one of his leopards. In 1843 the two stars went into partnership as lessees of the English Opara House. *The Illustrated London News* re-

Mr Van Amburgh, the lion tamer dressed in theatrical Roman costume.

frained from "comparisons most odious between the barbarous warrings of lions and tigers and the more bumanizing sounds of English melody . . . as the English Opera is not the only stage upon which faults against good judgment or sound taste are committed, or Mr Van Amburgh the only manager who caters to the lower rather than to the more elevated feelinga and tastes of the London public." (The play in question was *Aslar and Ozines, or the Lion Hunters of the Burning Zaara.*)

Ineritably Lion Queens followed the Linn Kings. The first of these was Nellie Chapman, niece of George Wombwell of Wombwell's *Menagerie*, aod after 1849 the wife of "Lord" George Sanger of Sanger's Circus.

Nellie proved luckier than ber cousin *Ellen Bright*, wbo became Wombwell's Lion Queen in 1848, wbeo she was only sixteen. Two years later, in January 1850 while appearing at Chatham in a cage with a lioo and a tiger, she was sttacked and killed by the tiger. The Queen of England had been rather dubious about the propriety of Lion Queens, and was apparently somewhat hesitant about seeing Nellie Chapman's performance at all. She was deeply upset by Ellen Bright's disaster, after wblch female beast trainers were forbidden by law.

It is proof of the public's fascination with such performances that some of them provided the subjects of Staffordshire chimney ornaments. Several of these groups figure in a Sotheby sale of Eoglish pottery and porcelain on February 22. An amusing little group, probably based on a woodcut illustration to a Wombwell playbill, shows the sagacious elephant rescuing Prince Almanasor from the upper window of his castle prison in *The Royal Elephant of Siam*.

A group tided in gilt "Death of the Lion Queen" would make a spirited if slightly gruesome ornament for a cottage chimney-piece. Poor Ellen is being *mauled by a beast* who, presumably for decorative reasons, has been spotted like a leopard. True to the facts, her lion, whose name was Wallace, sits peaceably by, having no part in the slaughter of his young mistress.

The rarest item in the sale is a small group, in a rather odd porcelaneous Staffordshire ware, showing Isaac Van Amburgh in Roman costume, standing between a lion and lioness whose heads he is patting. A lion cub sits at his feet, and a leopard is clambering upon his shoulder. Only a few examples of this pretty, and amusing group have come to light, though it is still surprising that the auctioneers estimate that it could realise between

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SPORT

On the hot seat, Moran, Paisley, Fagan

Trevor Bailey looks at Paisley and Co

The wonders of Liverpool

THIS SEASON'S First Division championship has already lost much of its appeal, as it has become a one-horse race with the main interest on who will finish second, qualify for Europe and be relegated.

Liverpool have completed 28 of their 42 League fixtures, are 12 points ahead of Manchester United, have also won their last eight League matches and have a much better goal average.

In addition their comfortable 3—0 victory over Burnley on Tuesday in the first leg of the Milk Cup semi-final should be more than enough to guarantee them a place in the final for the third time on the trot and they are the side that the other remaining competitors would most like to see eliminated from the European and the FA Cup.

They must be at least one, probably two classes better than any other team in the country. It therefore would come as no great surprise, if they followed up last year's double with the first ever treble, which would be a fitting note for the admirable Bob Paisley, the most successful manager in British football to retire on.

The main danger is likely to stem not so much from the opposition but from physical fatigue and injuries.

There are numerous reasons for the success of the Mersey machine and why in the last two decades they have won eight league championships, three European cups and two FA, two League and two EUFA cup competitions.

One of the most important, and satisfying for those who care about the game is that it has been achieved by constructive possession football which has heen ammended and moulded to sult their players and the changiog conditions, but has always remained basically simple.

In the first half of the recent FA cup battle between Tottenham Hotspur and West Bromwich Albion only Ardiles seemed interested in trying to play football, the remainder appeared more concerned in preventing their opponents from doing it, and were not especially worried how.

This does not happen at Liverpool, because *all* their players possess constructive skill which they are expected and encouraged to use. This is why they are so dangerous coming from hehind, as they showed yet again against Luton last Saturday.

They have the confidence and believe in themselves which allows them to go on playing their brand of precise intelligent football and to rely on their creative ability to probe an opening.

In contrast, many clubs finding themselves a goal down with time running out, tend to panic and begin to pump long hopeful balls into their opponent's overcrowded penalty areas, praying that urgency and pressure will produce a mistake, or a lucky bounce.

Bob Paisley believes in great players. Dalglish is possibly the most talented attacking footballer in the land and it is doubtful whether there is a more complete half-back than Souness. But Paisley does not believe they should be indispeosable.

His aim is 11 outstanding footballers who complement each other and this policy is reflected by the way the goal-scoring is shared round the team, *season after season*.

The accumulated knowledge of Paisley, who has been with the club for 43 years, coach Ronnie Moran, 33 years, and their assistant manager, Joe Fagan a comparative newcomer of only 23 years, is probably best illustrated by the remarkable way this trio have managed to avoid the transitional period which regularly occurs at the end of a successful run by a team.

Their secret lies in the way they release players before they have really started to slide and are still more than good enough to command a regular place in most other clubs. Only two of the team who helped Paisley to his first league championship six years ago are still at Anfield.

All the others have moved *on to new pastures*. Last season, although no fewer than five newcomers were introduced into the side, they still finished with two titles. That shows superb administrative judgment and timing.

Having so much exceptional young talent with the expertise to fit into the first team means that nobody, however brilliant, can afford to relax. Everybody has to do the more mundane things like running off the ball, covering and challenging for possession which is why combined with the success the Liverpool players have retained their enthusiasm and appetite *for the game*.

Without in any way detracting from this outstanding side, I think it should also be mentioned that this is very far from a vintage season in the First Division. Manchester United might be on the threshold of becoming a really briliant team, Watford are exciting and Nottingham Forest may be on their way back, but the majority of clubs including Arsenal, Manchester City, Swansea, Ipswich, Southampton, Spurs, Aston Villa and West Ham do not look as good as last year, well there are a number of decidedly undistinguished teams near the foot of the table.

David Freud goes skiing with Lloyd's

The City on the slopes

YOU ARE standing at the top of what seema a very long slope. It may not be particularly steep, but your legs are trembling slightly with nerves. You have to ski as fast as possible through what seem very awkwardly positioned slalom gates, and deep ruts dug by previous ruuners are lurking round the poles waiting to trip you up.

The starter brings back the electronic starting rod, you brace yourself on your sticks and theo you push through towards the first gate. The nerves disappear in an instant; you lean forward and crouch low as you dodge back and forth round the gates.

Sooo the legs have a new problem: the front of the thighs are burniog with the strain of holding the position. From halfway down, the ruts threaten to throw your balance, and you can lose valuable time getting back to the optimal course. The finish, wben it comes, ia pure relief.

The slalom course is no longer the exclusive preserve of the dedicated racer and keen recreational skiers — including British skiers — are becoming more and more likely to face the challenge. Ski meets for professional groups have become a tradition on the Continent. Now even the British are catching up, and there are separate race meetings for the Stock Exchange, members of Lloyd's of Londoo and the banking community.

And the quality of British skiing emerges as nothiog to sneer at. Certainly, at the international insurance races held last month at Courchevel, Lloyd's members more than held their own. The atmosphere was rather more relaxed than at the banking meets, for instance, but the winners were of a standard not far below that of internatiooal "B" teams.

There was plenty of variety at the insurance meeting—the 14th of the series. The main event was a giaot slalom, with more than 200 competitors from all over Europe, about 50 coming from Lloyd's.

A special slalom for ioternational teams, incorporating tight, fluid turns, waa won by the Italians.

These two events were run by the French hosts. The Lloyd's community has contributed a rather novel additioo to the meeting in the shape of a knock-out relay race down parallel slalom courses.

The Lloyd's involvement in the event has been masterminded by Stephen Hobbs, of Lloyd's brokers Rowbotham. Hearing about the event from business contscts in 1976, he received permission to take out a small contingent. With the numbers of British growing rapidly in the followlng years, he organised the relay race three years ago with the belp of colleagues from his firm.

Oo the latest occasion 24 teams of four entered—lncluding one from the Financial Times. Lloyd's members saw off all comers and the final was between the first and second Lloyd's teams. A fall by Llnyd's Two gave their rivals an easy victory.

However, honour was not satisfied and the race was rerun with a crate of champagne as the stake. Thia time the result was much closer and the first team won by a mere couple of ski lengths. As for the FT team, sadly I have to report that we were out-skied in the second round and retired with the other losers to drink *vin chaud* from the specially constructed ice bar.

Rowbotham not only handled the arrangeemnts, but was even able to provide a race trainer in the shape of Alistair McGill, who was captain of the British Army Alpine ski team in the mid 1970s.

He says: "We *get all* standards of skiers here for the week. So the important thing is to stop people holiday skiing. They have got to become more *aggressive*, and *turn precisely* round the poles rather thao where they feel like.

"The most common mistake is to lean too far back and not bend the legs enough. If you hit a bump or rut you accelerate away, usually in the wrong direction. And after 200 people, the French giant slalom *is pretty rutted*."

Quite apart from skiing well, team tactics can be critical. Go all out and you may be the fastest team, but one fall or missed gate *disqualifies*. A more sedate pace at least ensures completion of the course.

But unlike the world cup, winning is not all-important. In the words of Stephen Hobbs: "What hetter way can there he to meet friends each year frnm the continental insurance cnmpanies with whom you do, or may do, husiness?"

RACING

DOMINIC WIGAN

PROVIDED THAT the weather does not intervene Leopardstown should this afternoon produce by far the most informative Cheltenham Champion Hurdle trial to date.

Daring Run, For Auction, Royal Vulcan, Boreen Prince, Brave George, Grateful Heir aod Larrigans Hollow have all been attracted to the Irish course for the £25,000 Wessel Industries Champion Hurdle.

On paper, at least, the race looks to be a three-cornered contest between the Irish pair who will be attempting to give 9 lbs to the English raider Royal Vulcan.

Although I have the utmost respect for Royal Vulcan's Cheltenham chances, it cannot be in the Newmarket-trained hurdler's favour that he has not seen a racecourse since putting two lengths between himself and Gaye Brief at Newbury on November 27.

His principal opponents have both put up highly creditable performances on their home soil sioce that time. Daring Run had little to beat when landing Punchestown's 2½ mile Morgiana Hurdle on December 30, and he *scored* with *consummate ease*. Making virtually all the running, he passed the post with extremely useful Pearlstone.

For Auction did not manage to win last time out, but he, too, could bardly have put up a more impressive display. Running arguably the race of his life here in the Sweeps Hurdle on January 8, For Auction failed by just a short head to give 2 st to the gambled on Fredooteri.

In a race which may well turn the Waterford Crystal Champion Hurdle betting upside down Daring Run can prove that he is right back to his best by defeating the favourite, For Auction.

NEWBURY
(subject to 7.30 am course inspection)
1.30—Aaborun**
2.40—King's Parade***

What makes a champion?

NOTHING, they say, succeeds like success (an aphorism that is demonstrably true in individual sports like tennis and golf. Confidence is everything, plus of course, a total belief in your own destiny).

A champion's ego is large—it must be—but unlike his technical equipment and physique which develops with growth and hard work the ego is there from the start. It is the force which drives him on in adversity. It feeds on success.

Watching the process at work over the past 30 years among the promising young players who have become champions (and some who haven't) has been a fascinating experience.

To watch John McEnroe's ego being bruised in public during seven successive executions at the hands of Ivan Lendl was to watch a soul in torment.

The extent of McEnroe's relief at breaking the psychological barrier last week-end in Philadelphia can only be imagined. Now Lendl's own ego, built up by 66 consecutive winning matches indoors since April 1981 (which included an important win against Jimmy Connors after nine defeats in 10 previous meetings) has been dented.

It is interesting to speculate why some nations produce champions while others don't. All players inherit national attitudes and traditions. I grew up alongside those legendary Australians Lew Hoad and Ken Rosewall, Rod Laver and Roy Emerson who were all helped to greatness by Harry Hopman, their Davis Cup captain and tour manager who had already established an aura of superiority for Australia through Frank Sedgman and Ken McGregor.

To see the way Hopman moulded those young egos was a revelation. Discipline was strict and sometimes resented — but always respected. And success was simply assumed.

Hopman's influence was paramount in creating the right atmosphere and environment and when he went to work in America in the early 1970s a void was left which still has not been filled. John Newcombe

John Barrett
tells tennis
success stories

remains the last Australian champion at Wimbledon (1971) and the remarkable, ageless Rosewall was their last finalist (1974).

Now, with Newcombe and Tony Roche home again and dedicated to developing new talent assisting Ray Ruffels, the national coach, things are beginning to happen.

A young man has appeared who has the credentials to put Australian tennis back on the map. Pat Cash is from Melbourne, a rugged young battler who has been the best junior in the world for the past two years.

He has leapt from 332 in the world at the end of 1981 to be 44 now, thanks to winning his first Grand Prix title on his home courts at Kooyong in December.

In his attempt to make the quantum leap into the world's top 10 he will have that Australian tradition of success unconsciously behind him—just as Czechoslovakia's Lendl did when he jumped from 74 at the end of 1978 when he was the world's No. 1 junior to 20 a year later, then to six by 1980, two last year and now three—a marvellous launching pad for an assault on the major championships in which he seeks a first success this year.

The Czechs had Jaroslav Drobny, that great left-handed champion of France (1951-52) and Wimbledon (1954) to establish their tradition of success. Yes, national expectation of sporting success most certainly exists and there are plenty of examples from other sports to prove it.

One only has to see what influence Bjorn Borg's achievements have had on Swedish juniors to know that the success syndrome works. Mats Wilander is only one of dozens of talented youngsters there.

The greatest tennis nation, the U.S., breeds potential champions by the dozen. Winning and success are a way of life there—but a cruel one.

Their latest potential champion is young Jimmy Arias who turned pro in January 1981 at the age of 16½ and is now firmly established in the men's game at number 29 in the rankings a phenomenal rise of 653 places since he first appeared on the computer in May 1980. He too has the tough last hurdle to cross. Another to watch is Jimmy Brown who has come from 408 to 97 in one year and is still rising.

Sadly in Britain, we lack a man who can lead the present generation by example to see themselves as future champions in the way that Angela Mortimer paved the way for Ann Jones and Virginia Wade.

Fred Perry's successes in the 1930s are too distant to create the aura just as Tony Wilding's achievements before the First World War are too remote to inspire present-day New Zealand. Here, as in Czechoslovakia with Drobny and in Sweden with Borg we will have

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Third World leverage

A COMMON crisis it most certainly is. To that extent the title of the Brandt Commission's latest report, which offers a hold set of remedies for our present economic ills, is wholly apposite. But while Common Crisis is more pragmatic than the Commission's earlier blast on the same theme, many of the underlying assumptions and global solutions remain the same. Brandt has yet to take aboard all the lessons implicit in today's recessionary melange of excessive debt, unstable currencies, contracting trade and energy uncertainty.

The origin of the present turmoil lies very largely in the oil crisis of 1973-74 and the developed world's reaction to it. And nothing demonstrates better the difficulties inherent in the idea of a North-South approach to global economic problems, or in establishing a mutual interest in imposing co-operative solutions on the market lace, than the history of the crisis.

In one sense the dramtic increase in oil prices in the mid-1970s represented a belsted recognition by the producers that the market had been rigged in the Western interest. But the nature of their response was such as to preclude a co-operative dialogue with the consumers. The show of strength that helped spawn Third World demands for Global Negotiations, common commodity funds and the rest ensured that developed countries could never trust in solutions based on the notion of mutual interest.

Non-oil producing, less developed countries, meantime, were among the worst hit, since they tend to require more energy for a given unit of output than developed countries. The idea of a cohesive "South," in which developing countries shared common interests, was thus built oo sbaky foundations.

Response

The nub of many Third World demands today is that the developing countries should be granted readier access to rich couotries' funds on easier terms. Yet this, ironically, is a remedy that has already heen tried and found wanting. The process of petrodollar recycling was a non-governmental answer to the financial problems of non-oil LDCs: between 1974 and 1979 it provided them with cbeap money without strings.

That policy is now widely regarded as having been disastrous both for borrower and lender. Absence of conditionality meant that too much debt finance was diverted into unproductive channels. And having accumulated mountainous debts, Third World countries were confronted in 1979 with a belated western response to the inflatinn that was partly caused by Opec.

The arrival of Mr Volcker, with a rigid form of money supply targetry, at the U.S. Federal Reserve, led to a spectacular rise in prime rates. Measured over the four years to the end of 1980, they rose more than three-fold. In short, the Opec trick was perpetrated in reverse hy the developed wnrld through the medium of dollar interest rates.

Outcome

Paradoxically, the outcome has been to hring sbout a far higger transfer of power to the Third World than was ever likely to come about through Global Negotiations. The leverage that debtors such as Mexico and Brazil enjoy, becsuse of their capacity to damage the reserves of the western banking system is formidable.

In these circumstances any country that is sufficiently heavily indehted scarcely needs to fall back on Group of 77 solidarity for support: its own leverage is probably sufficient to secure it the kind of financial solution that it wants from the bsnkers. Indeed one criticism of the developing countries might be that they have used this leverage with too little imagination. Few novel ideas about debt reconstruction —which is a pressing priority in the sbsence of a much bigger economic recovery than most people now expect—have come from the borrowers themselves. And is it right to equate the major borrowers — Mexico, Brazil and Argentina—with the South?

As for the conditions laid down by the IMF in its programmes with over-indebted countries, there is certainly room for more sophistication and discrimination. Yet the developing countries themselves must be acutely conscious of the difficulty of maintaining private credit flows if bankers start to lose faith in the IMF's seal of approval because of weakened conditionality.

The North and the South certainly do bave a common interest in lower interest rates, lower inflation, and an adequate flow of official funds to the Third World. The agreement to increase the IMF's resources made this week is welcome as is the recent decline in the rate of inflation in the U.S., Britain and elsewhere; and the continuing searcb for cooperative solutions to international monetary problems is crucial. We also have a common interest in a lower, more stable oil price. That hope, carrying the prospect of world economic recovery with it, provides much of the explanation for the recent buoyaocy in financial markets.

Both have an overwhelmiog interest in preventing a further contraction in world trade and a retreat from the liberal trading order. Protectionism in the North undermines the debt servicing capacity of tbe South. Interdependence, as Brandt implies, is inescapable.

THE MASSACRE INQUIRY

'King Ariel' divides Israel

By David Lennon in Tel Aviv

Springs

ISRAEL'S democracy has been tested this week as severely as at any time in the nation's turbulent 35-year history.

For the past four days the country has been deeply divided in its response to tbe report of the Commission of Inquiry into the massacre of hundreds of Palestinian refugees in Beirut while the city was under Israeli occupation last September.

The man at the centre of this week's storm bas been Ariel Sharon, the bull-like genersl who launched the invasion of the Lebanon, who blends considerable charisma with unassailable self-confidence and who in the past has been openly sceptical about the democratic process.

Each day rival groups of demonstrators have gathered outside the Prime Minister's office, some passionately supporting the report's recommendation that Sharon must resign, others equally contemptuous of it.

Tragically late on Thursday night, these divisions were highlighted when a hand grenade exploded among the anti-Sharon demonstrators, killing one and wounding several others.

It seems almost certain that this waa an attack of Jew upon fellow Jew, a graphic reminder of the way in which political violence has risen so sharply in recent years.

For most Israelis the issue this week has been a simple one. On the one hand there are those who argue that it is quite legitimate for Israel to use unrestrained force to crush

A 'whiff of the putsch' accusation

any opposition to Israeli rule in any Arab territory. This view is certainly associated with General Rafael Eitan, the Chief of Staff, and by a considerable number of members of the Cabinet, the Knesset and the population at large.

On the other hand are those who support the Commission's findings and occept, as a commentator put it in Haaretz newspaper this week, a responsibility which "stems from the obligations of rules of ethics accepted among civilised nations rather than from any legal norms; and it is those moral obligations which were violated by the Ministers named in the report."

For a few days this week the Begin Government seemed unable to make up its mind on which side of this divide it belonged. General Sharon's refusal to resign posed a severe dilemma for Mr Begin who has no love for his defence minister.

He refused to make him a hero of the extreme right by dismissing him, but the spectacle of three long days of inconclusive cabinet debate deeply disturbed some Israelis. Dr Yosef Burg, the veteran Minister of the Interior, even complained at one emergency cabinet meeting that the actions of the defence minister had a "whiff of a putsch" about them.

Dr Burg accused the defence minister of trying to manipulate the Army's general command in order to save his own political neck, a potentially explosive charge in a country where the divisions between military and civilian power have been blurred by the fact that the country has essentially felt itself at war ever since it was founded.

In addition to establiahing the facts about what happened in the camp, the Commission also made a series of recommendations for the punishment of some nf the people involved in the decision to send tbe Phalangists into the camp and others who failed to act aubsequently to halt the slaugbter.

Applying the doctrine of indirect responsibility, the Commission rejected the arguments that hecause no Israeli soldier did any of the killing, Israel should escape the hlame.

One of the most important innovations in the report is the concept of indirect responsibility relating not to the massacre itself, but rather to the possibility of preventing or halting it.

General Sharon has certainly made no secret nf his contempt for the report. He suggested to the High Command, and later to the Cabinet itself, that they should simply ignore the Commission's recommendation that officers found tn be derelict in their duty in Beirut should be punished.

General Sharon was supported in this by General Eitan. The Commission said it would have recommended dismissing him too but for the fact that he is duc to retire soon. General Eitan complained to the Cabinet that the Commission's strictures against some officers were too severe — they should not be judged for their actions during the two days of the massacre, but on their otherwise excellent record of service to the state.

It was precisely this attitude to which the Commissioners objected. Nor is it only displayed in connection with the Lebanon. General Eitan admitted while appearing for the defence during a court martial in Jassa this week, that be had indeed issued orders to harrass West Bank Palestinians who opposed the Israeli occupation. The soldiers accused of brutality claimed that they bad only been following orders and the Chief of Staff confirmed this.

General Sharon himself has been in hot water before. He was nearly court martialed for disobeying orders during the 1956 Suez-Sinai campaign, and losing three dozen of his men in a foolhardy attack at the Mitla Pass. But thanks to the patronage of tbe then Premier David Ben Gurion his military career was not ended. Eventually hc became a national hero when he led his troops across the Suez canal in 1973 and helped turn the course of the war.

He was hailed then as "Ariel, King of Israel," a title which was bestowed on bim again by his chanting supporters this week. Those who believe in him do so witb a blind fanaticism. Those who oppose him, are almost as fanatical, convinced as they are that he is a danger to democracy.

The outgoing defeoce minister conducted the war in Lebanon as his own personal affair, frequently only informing the Cabinet abont military moves after they had been carried out. In launching the invasion last June he was putting into practice his belief that Israel should use its overwhelming military power to dictate its will in the region.

His future is now cloudy as he wants to remain in the Cabinet as a Minister without portfolio. It is not certain that the Cabinet or Knesset will approve such an appointment. In any event, it would be premature to assume that this resignation marks the end of his political career. General Sharon, still wants to be Prime Minister.

Many thoughtful Israelis have been disturbed by the way that, under the influence of men like Sharon, Israel's whole political climate has been changing. The Jerusalem Post writing yesterday about the fatal grenade attack on the Peace Now demonstrators, said, "there has developed in Israel during the reign of the Likud a propensity for political violence. And its home, is among the Government's supporters.

"It marred the election campaign of 1981 and it has defaced the political scene ever since. When hoolgans are organised to bust up political meetings when critics are called traitors when the opposition is equated with the PLO, when Jewish vigilantism on the West Bank is made legitimate, when ethnic differences are deliberately enflamed for political gain—and when the leader of Government tacticly endnrses by his silence those assaults on democratic norms, there is indeed cause for worry."

Tbis new polarisation also has an "ethnic dimension." The western Ashkenazi immigrants tend to be more liberal, while the Sepbardi immigrants from the Middle East and North Africa tend to favour a "might is right" approach.

Mr Begin and his Likud block have widespread support among the Sephardim, but it should not be forgotten that the Cabinet itself—like the earlier Labour Cabinet—is predominantly Ashkenazi.

The voting patterns of the Sephardim are more a reflection of their social and economic status than anything else. They support Begin because for them, he still represents the

Uncharacteristic silence from Mr Begin

opposition to the Labour establishment they feel discriminated against them during its 29 years in power.

The Opposition Labour party refrained from trying to make political gain out of the troubles of the Government. Mr Shimon Peres, the party chairman, ordered his members to maintain a statesmanlike silence while the Government contemplated its reaction.

Mr Begin and the Cabinet in response have also maintained an uncharacteristic silence in public in the wake of the publication of the Commission's report. The Prime Minister himself has, however, made it clear that he considered resigning after he read the report and its criticism of him. But he was dissuaded by his Cabinet colleagues who warned that this could allow the Labour party to return to power. Mr Begin's greatest fear remains that Labour would be prepared to give np part of the West Bank in exchange for a peace treaty with Jordan.

HONOUR IS SATISFIED IN THE U.S.

AMERICAN public opinion has generally hoth welcomed the report of the Israeli commission and accepted its conclusion that Mr Sharon had to go.

The report was widely praised in the U.S. as a vindication of Israeli democracy. It was seen as showing that nobody was above the law—or, as the New York Times put it, "no strongman will soon regain the power to drive Israel's policies heyond the established consensus."

While there is no denying the sbock that the massacres caused on this side of the Atlantic, the Los Angeles Times said this week that "out of tragedy and anguish bas come a certain redemptive honour."

A similar broad theme has been struck by the powerful American Jewish lobby, wbose spokesmen have said that the enquiry and its conclusions reflected a commitment to moral decency in Israel that was stronger than ever.

Israel would emerge strengthened as a result, said Mr Julins Berman, president of the Union of Orthodox Jewish Congregations of America and chairman of the conference of presidents of major Jewish organisations.

Most, though by no means all the Jewish organisations have also agreed that Mr Sharon should resign—if only for the good of Israel, rather than necessarily as a result of his own actions or inaction.

The Administration has declined to comment on either the report's details or the position of Mr Sharon, let alone that of Mr Begin. The official view is that this is an internal Israeli affair, and the U.S. itself has refrained from attempting to assess responsibility for the massacres.

Privately, however, nfficials say that the report's findings reflect the extent to which Mr Sharon seems to hsve acted on bis nwn anthority in Lebanon. Tbey suggest, or at least bope, that his removal will lead to a more flexihle Israeli sttitude on withdrawing its forces and pressing ahead with the broader peace process, as the Administration has repeatedly called for.

The State Department says that it "does not see why" the report and its political impact should slow down still further the Lebanese-Israeli negotiations on troop withdrawals, in which progress remains extremely urgent if President Reagan's September peace initiative is not to run totally out of steam.

Yet while Mr Reagan has come close to accusing the Israelis publicly of dragging their feet in the talks in recent days, there has as yet been no sign of tangible pressure on Jerusalem to hurry up. Mr Reagan remains one of Israel'a strongest supporters.

Reginald Dale

Letters to the Editor

Pay

From Mr P. Brown

Sir,—International companies such as Lonrho and BOC who are, thank goodness, headquartered in the UK though a majority of their assets, staff and operations are nverseas, would I think do hoth themselves and the business community a favour if they were to publish alongside the pay nf the highest paid director, the pay of his counterpart in their UK operations.

Comparisons hetween the pay of Messrs Rowland, Giordano, Baxendale and Steel, who would almost certainly earn more if they chose to run their companies from an EEC or U.S. base, and their UK staff are no more valid than those with their employees in the U.S., Germany, Nigeria or the Far East.

It is however, valid to compare weekly and monthly earnings of their British hased staff with the rewards of their top UK executives, whose earnings, under the current disclosure rules, cannot he isolated from those of senior international directors and executives.

Peter M Brown.
Reward Regional Surveys,
1 Mill Street, Stone,
Staffordshire.

Councils

From the Choirman,
Public Relations Ponel,
Society of Local Authority
Chief Executives

Sir,—Mr Holland (February 4) may or may not have cause to be upset with councils in his area, and it is for them to consider whether his concern is justified. I am upset witb Mr Holland who falls into the well-used trap of condemning the whole of local government on evidence which, even if substantiated, is certainly very limited.

Would readers condone the logic if, having found one or two businesses who appear extravagant or inefficient, someone in local government were then to indict the whole of British commerce and industry?

The overwhelming majority of local authorities in thia country are well run organisations giving, snd caring greatly about, value for money. They are scrutinised hy internal and external auditors, the media, MPs, ratepayers organisations, CBI representatives and, above all, by hard-working democratically elected councillors. Their record of public expenditure control over recent difficult years has been shown to be, in aggregate, substantially better than that of Government itself.

As example of Mr Holland's failure alwaya to be fsir, I need only mention the reductinn frnm 65.5 per cent to 52.8 per cent over the past seven years of the rate support grant payable by government to local government. It is a tall order to expect rate increases no greater than the level of inflation, but countless suthorities have achieved just that in spite of massive grant losses.

Is the record of state control of major enterprises so encoursging snd convincing that there is a compelling argument for more central control?

Clifford Smith.
County Hall, Ipswich, Suffolk.

Gains

From the Monoging Director,
Anderson Mon

Sir, — Mr Wolman's guide to trimming tax hills (February 5) was most interesting. Unfortunately, one small item whicb be mentioned cannot go without comment.

While we offer congratulations to tbe fortunate gentleman with the Polly Peck share certificate, we fear that the Inland Revenue will not look kindly upon his attempts to offset that capital gain with his loss on the proverbial "nasty-looking cocoa futures contract."

It appears to us, along with many other reasonable investors (and evidently your correspondent) that a capital gain is a capital gain, whether it be achieved in stocks, shares or commodity futures contracts. Unfortunately, the Inland Revenue takes a different view. Commodity futures transactions of individuals generally fall to be assessed under Schedule D Case VI in the eyes of the Inland Revenue. Losses in these transactions can only be nffset against profit on other Schedule D Case VI transactinns and cannot be offset against capital gains or other income.

There is, hnwever, the potential for individuals to invest in a number of offshore commodity funds which now exist. Provided that shares in these funda are widely held, profits gsined from them are usually assessable to capital gains tax.

David M. Anderson.
Sugar Quay,
Lower Thames Street, EC3.

Licences

From Mr C. Rivington

Sir,—Questions similar to thst posed hy your correspondent under "Finance and the Family" (February 5) would not arise if a TV receiving set itself were licensed for use, rather than the building in which it la operated. That would bring the licensing of TV sets in line with that of motor-vehicles and dogs, and wonld probably assist the authorities in tracing illegal operation of sets.

At present it is snomalous that someone without a TV set wbo wishes to hire one for, ssy, a month, to cover particular broadcasts or meet the needs of a visitor, must buy a licence for the whole year, without any rigbt to a rebate for the 11 months not used. Were the licence for the set, the hire charge could allow for the *pro rata* cost of the licence, as with a hired motor-car.

Christopher T. Rivington.
Crabtrees, Pembury Road,
Tunbridge Wells, Kent.

Shares

From Mr O. Lewis.

Sir,—Your publication (February 5) of the article by Barry Riley and Dominic Lawson was both wise and timely. It highlights a serious problem in the whole system of share dealings. There seems to be too much money seeking too few shares and little, if any, of the money involved seems to be benefiting directly the liquidity and therefore the growth potential of the companies involved.

May I suggest that consideration be given to the payment of an additional commission (based on the consideration of each transfer) directly to the firm involved. This would soak up some of the excess floating *money and inject it directly* into industry where it is so badly needed.

It would at the same time, hopefully remove much of the current excess of gambling on the market, especially in the USM and make all share buyers and sellers aware of the serioua and calculated, but vital, risk that is investment commitment.

Oswald Lewis.
1, Kelhuie,
14 Westbourne Terrace,
Budleigh Snlterton, Devon.

Railways

From Mr R. Legge

Sir,—The Government proposal, in reaction to the Serpell report, to "restructure" British Rail's organisation (February 3) is a time-honoured non-response to a managerial shambles.

As a means of achieving the stated aim of greater efficiency, the re-shuffling of existing personnel is, in itself, as relevant as re-arranging deck chairs on the Titanic. It offers no guarantee whatever that existing problems will at last be tackled.

BR now bas an annual deficit of £1bn and traffic density is abysmally low, with less traffic per mile of route and per man employed than the railways in Thailand. Thanks to scarcely challenged restrictive practices, freight crews average only 14 *train/miles per man per day* and the new one-man crewed passenger stock for the St Pancras-Bedford line lies unused and rusting in Cricklewood sidings.

The even worse alternatives outlined in the Serpell report could yet be avoided if BR management insisted, as the first step in a long upward haul, that restrictive practices were dropped now as the only means of avoiding major closures. Willpower la the prime need rather than new management "organigrams."

R. F. Legge
87 Penhurst Gardens,
Edgwore,
Middlesex

Engineers

From Mr A. Dunn

Sir,—Sir Kenneth Corfield's letter (February 1), does not convince me that the Engineering Council can represent the interests of the engineering profession, when it cannot trust the profession to elect the members of council. Tbe problems of the CEI bave been greatly exaggerated and if it had been adequately financed it would have been successful. Tbe Council of Engineering Institutions did truly represent the profession as balf the members were elected and the rest were nominated by the engineering institutions. This is to be replaced by the Engineering Council, which has been referred to by one of the local CEI brsnch members as a self appointed oligarcby, and by an elected assembly whicb will meet once a year and have no power. What is more the Engineering Council bas no declared intention of retaining the local bramcb structure of the CEI, whicb has proved to be the real strength of CEI, and which has united the engineering institutes at branch level.

As a professional engineer I cannot accept that an unelected Engineering Council can possibly represent the interests of a true profession. If the profession has any self respect it will demonstrate its contempt for what is being proposed, and if not then it does not deserve to be a profession nor indeed will it be regarded as one.

A. Dunn.
602 Doagh Road,
Newton Abbey, Co Antrim.

Accountants

From Mr M. Blackwell.

Sir,—Your correspondent Christopher Cameron-Jones in his article "A matter of tax." (February 5) draws a comparison between the services offered by banks and chartered accountants.

To say that "The chartered accountant—has trained first as an accountant and later moved into the tax area" ignores the fact that our students take tax papers in all major examinations and must have experience in tax before their qualifying service is complete. In addition, far from limited "experience of tax work" in a smaller practice representing the norm it is a fact that every business account means one or more tax payers and indeed most small offices handle the tax work for their clients, whether company, partnership or sole trader. This is quite apart from the purely individual personal tax work which constitutes a sizeable part of all chartered accountants' practices.

The real difference is between an impersonal department of a large organisation and a professional service with all that implies in the old fashioned sense of "professional," ie the clients interests are paramount and there are no aasociated services to sell. A breadth of view and expertise from a professional with no limited liability who succeeds only on his reputation. A willingness to recognise the limits of his life-time'a expertise and to advise on the sources of specialist assistance. I will not deny that it is possible to use the economies of scale and computer facilities to reduce the cost of routine tax and accountancy services but tax and accounting is rarely routine and heavy overheads negate any cost saving.

There is a world of difference in settling a client's tax liabilities and minimising them.

Michael Blackwell,
A. C. Mole and Sons.
Stafford House,
10, Billetfield,
Taunton, Somerset

Hazel Duffy looks at the performance of the National Freight Consortium, bought out by its employees 12 months ago

A good year for the worker shareholders

"I STILL ask myself the question, why did 10,000 people buy shares in their company," reflects Mr Peter Thompson, chairman of the National Freight Consortium, at the end of its first year as an independent company.

Twelve months ago NFC which groups together several well-known haulage companies including British Road Services, Roadline and National Carriers, travel agency business, was sold by the Government to its employees for £53.5m—the largest buy-out of an industrial company in Britain and quite possibly in the whole of Europe.

It has been a good year for the company's shareholders a fact which was underlined last Saturday when 1,750 of them packed the main hall and adjacent cinema at the Birmingham Metropole Hotel for one of the largest shareholders' meetings ever held in Britain.

The meeting was lively, well-informed and a far cry from the usual perfunctory list of motions which characterises the average AGM.

Mr Thompson is used to talking to his shareholders. Early next month, for instance, he is off to Norwich where he expects 100 and 200 to meet him to discuss the group's progress. All the directors have regular meetings like this now at least four times a year in each region so that shareholders are fully up-to-date.

He readily agrees that the enthusiasm of those who subscribed to the shares last February—and of those employees who did not buy shares at the time but now want to clamber aboard—has been helped enormously by the fact that the going has been good for the company in the past year.

The £1 shares have been revalued twice, so that they are now worth £2.45. The shareholders thus have a capital gain, although the shares can only be traded among employees, pensioners and their families. Dividend payments totalling 12p per share net were declared for the first eight months of trading under the new ownership, ensuring that those employees who borrowed money to buy the shares could more than repay the interest on their loans.

It would be tempting to ascribe the success of the new consortium—a trading profit of £11.9m on turnover of £290.1m in the first eight months—to a new mood of dedication among the employee shareholders. In fact, the success of the NFC during a very depressed period for the road transport industry is more the result of commercial decisions taken two or three years ago, as well as sales of surplus property. In the tough, highly competitive, and individualistic road transport business, NFC had been trying for some time to shake off its reputation as a rather sleepy organisation that was "featherbedded" by being state-owned.

The more successful companies always played down the NFC connection. Mr Geoffrey Pygall, group managing director of BRS and previously head of Pickfords, says: "When I was at Pickfords, being a member of the NFC was not a good weapon to have in your sales armour. Nationalisation was something we just did not talk about."

The new aggressive marketing policy has been particularly successful in contract distribution, where BRS and National Carriers have won some highly competitive contracts with such customers as Boots, Kelloggs, Procter and Gamble, Alcoa and Hoover. Fashionflow, one of the companies in the recently formed National Services group, carries all the "boxed articles" for Marks and Spencer.

The changes actually began in earnest six years ago, when Mr Thompson, ex-Unilever, took over at NFC after a spell with BRS. He set out to inject more commercial thrust into NFC, and placed considerable emphasis on employee participation. "I went on a management course run by the American Management Association about six years ago. I was sceptical, but I came back converted to the necessity for a proper communications structure," he says. (Since then, a further 70 senior executives have gone on a similar course.)

At the same time, the pay structure was overhauled with a new system for senior managers which is highly performance oriented—a few high fliers who exceeded their targets substantially increased their salaries by 32 per cent last year. Clerical grades are now also benefiting from performance-related schemes. Pay bargaining with trade unions, formerly centralised in the hands of the NFC, is now handled by the individual companies at local level.

The buy-out has also encouraged the companies to look more closely at experience elsewhere in the group. There is, for example, more willingness to use in-house facilities like engineering services and workshops on a group basis.

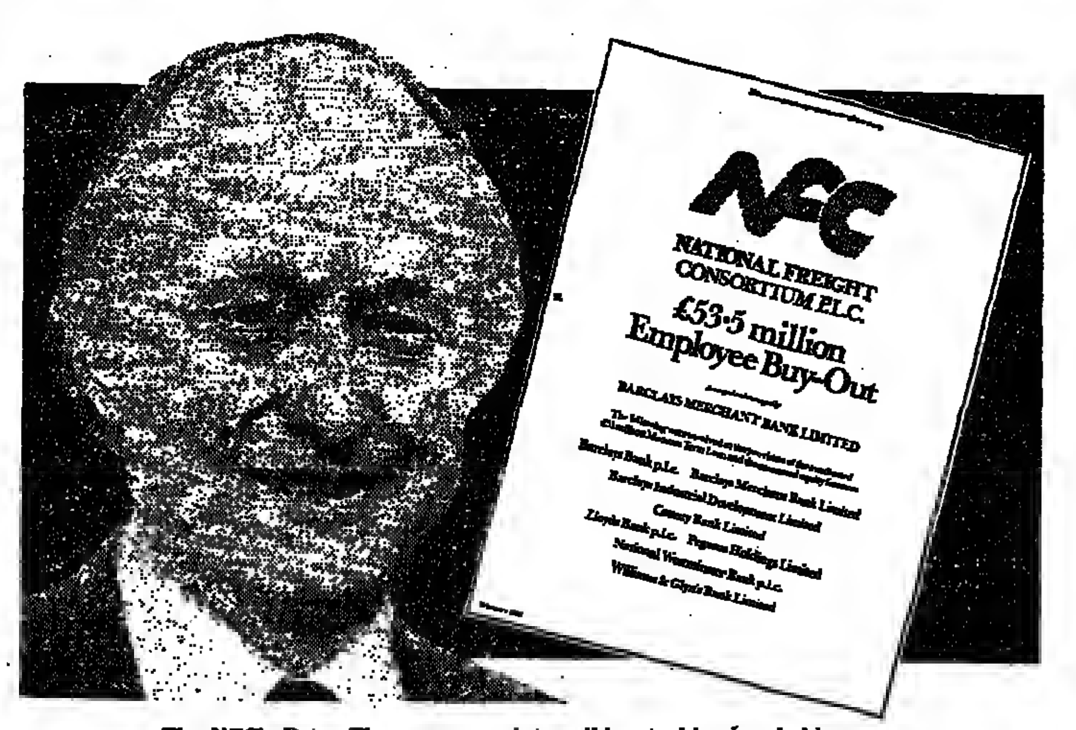
Mr Thompson says his own role has been sharpened under the new ownership. "I am much more involved in the success of the business, I have to be completely dedicated when I think of the people who have put their savings into NFC."

He also feels liberated now that the company is no longer state-owned, although the £50m loan which was taken on in order to pay the Government inevitably has a sobering effect on the freedom with which the company can expand. Here, however, property sales make a difference and £6m of the loan was paid off in January.

Some of the shareholders think that these sales may be taking place too rapidly. The directors listen, explain that they are also investing in new properties, but are well aware that they must take on board what the shareholders have to say.

Indeed, they have decided to conduct an internal opinion poll with the aid of Mori to find out the kind of company that NFC's employees would like it to become.

The results of this poll will be an important ingredient in NFC's future planning. For Mr Thompson is one British executive who does not need to be reminded of the need to carry his employees with him.



The NFC's Peter Thompson: used to talking to his shareholders

Capital gains for the men at the depot

ERIC WARREN, a Birmingham freight warehouse foreman, married with five children, is pleased by his capital gain—more than £2,000 in less than 12 months. And so is his bank manager.

Eric, a small man engulfed by a heavy overcoat and green overalls, laughs. "My shares are good collateral, you know. I can borrow even more money against them."

He should know. He borrowed all the money—some of it from his employers—to buy 825 £1 shares in the National Freight Corporation (now Consortium) when it was privatised. Dividends alone on his shareholding have so far been worth nearly £3 a week net of tax.

But Eric, like many of his workmates at British Road Services' Bromford Mills depot near Birmingham's famous Spaghetti Junction, is sceptical about whether share ownership has brought about any significant productivity advances or changes in management-worker relations.

The depot, according to management, one of Britain's biggest, busiest and most profitable road haulage sites, sprawls over 10 acres in the shadow of an elevated section of the M6.

A hotch-potch of old brick buildings, formerly a wire works, was taken over by National Freight some 10 years ago and has been adapted to house computer technology and sophisticated distribution operations.

Kevin Roche, the 32-year-old manager of the contract hire fleet and an enthusiastic shareholder, argues that Bromford Mills is a good example of the expanding and comprehensive range of transport facilities now being offered.

Around 250 staff and manual workers provide services from vehicle maintenance and driving, to consultancy and computer-based freight brokerage.

But white and blue collars alike seem to be as one in stressing that even under state ownership efficiency was high and there was little scope for productivity advances.

Ron Evans, outspoken manager for the past 14 years of the Birmingham distribution centre, has some 70 drivers working shifts throughout the day and night supplying, among others, Ford car factories with components from the West Midlands.

He prides himself on not being desk-bound. "We are a tight-knit operation. Everyone knows everyone else and what he should be doing."

Most workers had been with National Freight for at least 10 years. "We only want goalscorers. You can't hit the side-netting too often and still stay in the first team."

He maintains Bromford Mills has always operated as a small, separate profit centre, and would not have survived without meeting its budget targets.

When drivers are asked if any cost savings have resulted from share ownership, they point only to minor things such as switching off lights.

Joe Hanson, a foreman and shareholder, sums up the feelings: "The attitude to work and the job has been fairly constant over the past 10 years. There has been little change."

But he believes that the consortium's dramatic profit improvement could not have been achieved without changes elsewhere in the national operation.

Stephen Hipkiss, computer operator, is equally at a loss to see how share ownership can bring significant cost changes to Bromford Mills. "Yes, I have shares. But it is not something you think about. We may switch off these spare visual display units in the afternoon, but that is about the limit."

Eric Warren, promoted six weeks ago after 12 years on the road, deals directly with his former driver colleagues.

He maintains the great advantage of the share scheme is that those workers putting in effort are now getting the benefit through improved profitability and higher earnings.

The drivers at Bromford Mills, who earn £130 to £160 for a 52-hour week, settled for a rise on January 1 of only £4. The deal is seen as an interim payment while negotiations continue to give drivers full staff status.

The trade unions have been placed in a difficult position throughout National Freight. While ideologically opposed to privatisation of a state-owned concern, they acknowledge there may be shopfloor support in an industry noted for its spirit of free enterprise.

Ron Evans cites with amusement the case of a militant shop steward who, while voicing opposition to the concept, put up his money for the shares: "His attitude was: if that's where the action is, I want to be there."

Arthur Smith

Weekend Brief

Jewel of the Deep South restored

No slaves, no rum and no lawyers were three of the initial laws set down to govern the 35 families who—250 years ago today—climbed ashore to start work with King George II's permission on the 13th and last of Britain's North American colonies. Lack of slave labour helps explain why, given the onset of an insect-plagued and sub-tropical summer, the majority of them were dead within the year. Most of the settlers had come from the street poor of London.

Their settlement survived, however, to become the city of Savannah and the colony around it grew through a revolution and a civil war and its aftermath to become the modern state of Georgia.

It seemed to an outsider a touch sentimental last Sunday, even in a sermon, for the preacher of Savannah's Independent Presbyterian Church to congratulate his congregation on making it through. But a sense of its colonial past was genuine and intense among the select congregation.

At a cost of millions of dollars, Savannah's centre has been spectacularly restored. This investment has been made during recent years by a small but very wealthy group of the city's citizens—rewarding them, as it turns out, with a tidy pile of property fortunes and returning Savannah to something like the beauty it once enjoyed as the jewel of the Deep South in its cotton boom days.

General Sherman gave Savannah to Lincoln as a Christmas present

Sunday's Presbyterian service launched a week of semiquincentenary (sic) celebrations in Savannah. They will culminate tonight in a ball for the restoration's affluent patrons to raise funds for the city's Telfair Art Gallery (tickets $75 per person and other tax deductible contributions gratefully received).

No effort has been spared to associate the ball with the 250th anniversary. The village of Godalming in Surrey—home of Georgia's chief architect and the settlers' original leader in 1733—has a former mayoress among the 475 guests who will be sitting down to a pre-ball dinner in three dozen private homes scattered around Savannah's historic district.

Twenty years ago, the district was falling rapidly into disrepair. Its old streets and squares pre-date the American Civil War and General Sherman's 1864 campaign which devastated much of the rest of Georgia.

In a sense, the general was Savannah's first notable patron. He had friends in the city, chose not to raze it and presented it instead to President Abraham Lincoln as a Christmas gift. But decades of neglect thereafter left many of the city's early houses all but uninhabitable by the 1950s.

The credit for mending matters goes by local tradition to seven old ladies in sneakers, who managed in 1955 to prevent one of the city's most distinguished buildings being replaced by a parking lot for a mortuary.

Today, city centre houses sell for upwards of $250,000.

A speech to go down in Erskine May

John Golding MP, would have been a phenomenon even without his epic 11½ hour speech on the Telecommunications Bill which stretched, with breaks, from Tuesday lunchtime until dawn on Wednesday.

In the last couple of years he has built up a position as the key organiser and hatchetman of the Right on Labour's National Executive Committee. He was the sole opponent on the party's organisation committee of the endorsement of Peter Tatchell as Labour's candidate in the current Bermondsey by election. He has now become the bogey man of the Left, regularly attacked and reviled in Tribune.

Through all the party rows he has remained a cheerful, even irrepressible, figure. Aged 51, he is a small, rather disorganised looking man with a dark lock of hair always threatening to fall over his brow. Educated at the University of Keele and the London School of Economics, his career has been based on the Post Office Engineering Union. This is the key to his actions and views.

In the Commons, representing Newcastle-under-Lyme since a 1969 by election, Golding has been the embodiment of the links within the Labour movement between the unions and the parliamentary party. He was a junior employment minister in the Callaghan administration and was chairman of the all party Employment Select Committee earlier in this parliament. Golding has always fought strongly for trade union rights and this explains his actions in opposition to the privatisation proposals in the Telecommunications Bill.

He clearly believes that it is necessary to demonstrate to the trade unions that at least part of the parliamentary party is fighting. And even the most die-hard Tory would concede that Golding knows his stuff on telecommunications and has been good humoured in his interventions—which now total over 30 out of 100 hours on the Committee Stage of the Bill.

His protest is also against the way the Bill has been handled but so far he has not changed anything. One epitaph has already been given by Kenneth Baker, who leads for the Government on the committee. Golding, he says, will probably be remembered in the constitutional history books for his speech. Baker thinks that the proceedings will lead to changes and so Golding is likely to be remembered as a footnote to Erskine May, the Bible of Parliamentary procedure.

John Golding MP

Discrimination against women in Japan

Few, if any, industrialised democracies make their nationality so exclusive as the Japanese and few countries have as little compunction in discriminating against women. But last week the Japanese Government showed signs of bending a little on both counts.

Next year, the Justice Ministry will propose sweeping changes in the 30-year-old nationality law. Specifically this would give children born to Japanese women of foreign spouses the right to claim Japanese nationality. At present this privilege is given only to children with Japanese fathers or to those born out of wedlock when the father is "unknown." The reform may be sweeping by Japanese standards, but it will, if approved, have its limits.

One of the reasons behind the Government's decision to legislate is the sharp increase in marriages between Japanese women and foreign, particularly occidental, men, and the consequent doubts about the status of any offspring.

These marriages are now believed to be running at the rate of about 8,500 a year, a significant testament to the emergence of Japan from its cocoon of isolation. A further, though perhaps statistically inconsequential, fact is that the last 16 marriages involving British diplomatic personnel in Japan have been between members of the striped trousers brigade and Japanese women; a broader, casual look around foreigners working in Japan (businessmen, journalists, academics etc) quickly reveals a sizeable percentage of Japanese wives (not to overlook mistresses).

There are about 117m Japanese, but less than 800,000 foreigners legally resident—and 660,000 of these are Korean. Last year, about 8,000 foreigners became Japanese citizens, believed to be an all-time high, but still a tiny number.

The Japanese immigration authorities tend to look askance at such Western concepts as the two career couple and will go to some lengths to try to persuade the distaff side to enter the country as a "dependent spouse"—which effectively bars her from all but casual or charitable work. This frustration may, in turn, contribute to the high casualty rate of foreign marriages in Japan and the consequent rise in the prevalence of marriage to Japanese women, whose own more modest ambitions have been thoroughly conditioned by Japanese society.

The labour laws limit the overtime women can work, and even prohibit them from working between ten at night and five in the morning (where this leaves the legion of bar girls is a moot point). Menstrual leave is also required and any young Japanese woman with dreams of being a crane operator can forget about that career, for it, too, is specifically proscribed.

All of this has produced some irritation. Until now, it had been thought that the Nakasone Government would be uninterested in meeting any demands. The Prime Minister's state of the union speech three weeks ago, for example, was full of conservative references to the need to restore the "family," as traditionally understood, as the backbone of Japanese society.

But revising the nationality law is a substantive concession. The only trouble is that it has to be passed by the Parliament. And Mr Nakasone may find, as Mrs Thatcher has in her attempts to control immigration by limiting matrilineal rights, that going the other way is just as difficult, for Japan is comfortable with its homogeneity.

For sale: chunks of history

All our yesterdays, the man said, have lighted fools the way to dusty death. I thought of this when I read a newspaper advertisement offering "a unique opportunity in the hotel and licensed trades"—a clutch of British Rail hotels offered for sale as part of the Government's privatisation policy.

Before my very eyes were all my yesterdays. If only I had a few million quid to throw away, I thought what a living museum of my life I could build up. Think of the Queen's at Leeds, a 1930s building. In my circles the Queen's afternoon tea—around 2s in my time—was a certain passport to joining the middle classes.

There are nobler places on offer. Liverpool's handsome early 19th century Adelphi, the "Grand National hotel," at its peak when the race was run on a Friday and all those effete Londoners stayed overnight and wagered good money on sliding down the stairs on silver trays.

And then there was Harold Wilson. The Adelphi was his hotel when he was Prime Minister and visited his nearby constituency, Huyton. The fact that the Liverpool Press Club was in the basement assured all devout drinking hacks of instant interviews with the PM.

The Adelphi was designed to fit in with Liverpool's golden age as a port. Its superb main banquetting room is a representation of a luxury liner's dining saloon.

This means that soon British Rail will be selling off a chunk of England's history and a fair amount of mine, too. Even the Grand Hotel, Hartlepool—the teahouse of the more sophisticated members of the 4th Infantry Holding Battalion back in 1944.

The list goes on—Manchester's Midland, dear to Coronation Street actors, Ayrshire's Turnbery, a golfer's paradise, and even London's Charing Cross Hotel, favourite of John Betjeman, and of some Labour Cabinet Ministers who wanted to lunch privately with journalists.

Agents Druce and Co. say a lot of inquiries have been received—existing hotel groups, conglomerates—but also a few individuals who fancy owning a favourite hotel. The date for tenders closes on Monday. If only I had a few million to throw away.

Contributors:
Duncan Campbell-Smith
Jurek Martin
Peter Riddell
Alan Forrest

Economic Diary

TOMORROW: Mrs Margaret Thatcher to address National Young Conservatives conference at Winter Gardens, Bournemouth.
MONDAY: Department of Trade issues provisional figures for January retail sales. Commons has three hour emergency debate on water. Scottish banks pay offer. Palestinian Parliament-in-exile opens first session in Algiers since being driven out of Lebanon. Opening of Commonwealth Law Ministers meeting in Columbo.
TUESDAY: Central Statistical Office publishes provisional index of industrial production for December. Mr Patrick Jenkin, Industry Secretary, opens New York business promotion for UK firms at Inter Continental Hotel, W1. Full GLC budget to be approved. GLC Tory opposition launch "alternative budget." Mr Cecil Parkinson, Conservative Party chairman, speaks at provision trade dinner at Grosvenor House Hotel, W1. The Institute for Fiscal Studies holds seminar on "the tax treatment of deep discounted stock" at the Regent Palace Hotel, W1.
WEDNESDAY: Department of Employment gives indices for average earnings in December and basic rates of wages during January. FT conference on "Foreign exchange risk—1983" at Grosvenor House Hotel, W1 (until February 17). TUC Employment Policy and Organisation Committee meets. Briefing on new links between Abbey National Building Society and Co-op Bank.
THURSDAY: Bank of England publishes figures for UK banks' assets and liabilities and the money stock for mid-January and London dollar and sterling certificates of deposit.
FRIDAY: Central Statistical Office gives preliminary estimate of gross domestic product based on output data during the fourth quarter.

BUILDING SOCIETY RATES

	Deposit rate %	Share accounts %	Sub'pn shares %	%	Others
Abbey National	6.00	6.25	7.50	7.25	1-year high option. 7.25 6 years sixty plus, 6.75 min. £100, 7 days' notice no interest lost
Aid to Thrift	7.00	7.25	—	—	
Alliance	6.00	6.25	7.75	7.25	3 years Money Monthly £1,000 min. Interest paid monthly
Anglia	6.00	6.25	7.50	7.25	3 yrs., 2 mths.' withdrwl. notice
Birmingham and Bridgwater	6.00	6.25	7.75	7.25	Extra Interest Shares
Bradford and Bingley	5.75	6.25	7.25	7.00	1 m. not. or on dem. (int. pen.)
				7.25	High I. a/c 3 m. not. (no pen.)
Britannia	6.00	6.25	7.25	7.25	Option Bond, 7.25 2 mths.' not.
Cardiff	6.00	7.00	7.75	—	
Cardiff	—	*7.50	—	—	* Share a/c bal. £10,000 & over
Catholic	6.00	6.50	7.50	7.50	6 months' deposit, £500 min.
Century (Edinburgh)	6.50	7.00	—	8.00	2-4 years
Chelsea	6.00	6.25	7.25	7.70	3 yrs., £1,000 min. 90 days' pen.
Cheltenham and Gloucester	6.00	6.25	7.25	—	
Cheltenham and Gloucester	—	7.25	—	—	Gold Account—savings of £1,000 or more. No notice—no penalty
Citizens Regency	6.00	6.50	8.00	7.50	3 yrs. Double Option shs. 7.40
City of London (The)	6.25	6.60	7.50	7.50	Capital City shs. 4 mths.' notice
Coventry Economic	6.00	6.25	7.50	7.75	4 yrs., 7.50 3 yrs., 7.25 3 mths.
Derbyshire	6.00	6.25	7.50	6.75-7.35	(3 months' notice)
Greenwich	6.00	6.50	7.75	7.75	2 yrs., 7.50 28-day pen./notice
Guardian	6.00	6.50	—	8.25	6 mth., 7.75 3 mth., £1,000 min.
Halifax	6.00	6.25	7.25	7.25	Extra Interest Plus, 3 months' wdl. notice or loss of interest
Heart of England	6.00	6.25	7.50	7.00	1 mth. not., 7.25 flexi tm. 3 yr.
Hemel Hempstead	6.00	6.25	7.50	7.75	3 yrs., 7.50 3 months
Hendon	6.50	7.25	—	8.00	6 months, 7.75 3 months
Lambeth	6.00	6.50	7.75	8.00	6 mths., 7.75 28 days, 7.25 3 m.
Leamington Spa	6.10	6.35	6.60	—	
Leeds and Holbeck	6.00	6.25	8.00	7.75	5 yrs., 3 mths. interest penalty
Leeds Permanent	6.00	6.25	7.25	7.25	3 yrs., E.I. a/c £500 min. 7.00
Leicester	6.00	6.25	7.25	7.25	3 yrs., 7.25 3 months
London Grosvenor	6.00	6.60	8.50	7.10	3 mths.' notice 1 mth. int. pen.
London Permanent	6.00	6.75	—	7.50	1 m. not. or on dem. (int. pen.)
Midshires	6.00	6.25	7.50	7.25	1 year, 3 months' notice no pen.
Mornington	6.80	7.30	—	—	
National Counties	6.25	6.55	7.55	8.00	28 days, 8.25 6 mths., £500 min.
National and Provincial	6.00	6.25	7.25	7.25	3 years, 7.00 1 month
Nationwide	6.00	6.25	7.25	7.25	3 yrs., £500 min. imm. wdl. with penalty. Bonus a/c 7.00 £500 min. imm. wdl. with penalty
Newcastle	6.00	6.25	7.50	7.75	4 yrs., 7.25 28 days' notice, or on demand 28 days' int. penalty
New Cross	6.75	7.00	—	7.00-8.00	on share accs., depending on min. balance over 6 months
Northern Rock	6.00	6.25	7.50	7.00	High Interest share. 7.25 3 yrs.
Norwich	6.00	6.25	7.50	7.25	3 yrs., 7.00 2 yrs.
Paddington	5.75	6.75	8.25	7.25	7 days' notice
Peckham	6.75	7.00	—	7.50	2 y., 8.00 3 y., 8.50 4 y., 7.25 Bns.
Portman	6.00	6.25	7.75	7.00	1 mth., 7.25 6 mths., 7.25 5 yrs.
Portsmouth	6.35	6.55	8.05	8.40	5 yrs., 8.00 6 mths., 7.50 1 mth.
Property Owners	6.25	6.75	8.25	8.25	4 yrs., 8.25 6 mths., 7.75 3 mths.
Scarborough	6.00	6.25	7.50	7.25	Retirement Bonds (2nd issue), 7.25 Money Care + free life ins.
Skipton	6.00	6.25	7.50	7.00-7.15	(1 mth.), 7.25 3 yrs.
Sussex Mutual	6.25	6.50	8.00	6.75-8.00	
Town and Country	6.00	6.25	7.50	7.50	3 yrs., 60 days' wdl. notice
				7.50	imm. wdl. 28 days' interest loss
Wessex	6.25	7.30	—	—	
Woolwich	6.00	6.25	7.25	7.25	90 days (int. loss), 7.25 Special Interest Shares 90 days' not. or imm. wdl. with 90 days' int. loss (min. £500), 7.00 immed. wdl. 28 days' interest loss.
Yorkshire formerly Huddersfield & Bradford and West Yorkshire	6.00	6.25	7.25	7.25	5 Star Bond min. £500, 2 mths. not. with pen., 7.25 Golden key imm. wdl. 28 days' pen. interest

All these rates are after basic rate tax liability has been settled on behalf of the investor.

HP control abolition gives boost to Wagon

IN THE year 1982, profits of Wagon Finance Corporation rose from £860,000 to £1,068,000, and the dividend is being held at 2.3125p net with a final of 1.6875p.

The increase to now business produced little benefit as far as profits were concerned, but the substantial growth in unearned finance charges carried forward this year should have a significant impact on the profits for 1983 onwards, providing interest rates do not increase. The board, therefore looks to the current year with confidence.

Turnover in 1982 of this provider of instalment credit finance advanced by £3.52m to £15.76m. Net profit came out at £440,000 against £410,000, after interest £7.24m (£6.15m) and tax £628,000 (£450,000). Earnings are shown at 1.68p (1.76p).

In respect of new branches opened in the second half of 1981 there was absorbed £256,562 of costs in excess of income. Following the abolition of hire purchase controls in July contrary to expectations the rate of growth of new business continued, and the amount financed for 1982 exceeded the previous year by 53 per cent.

At the end of 1982, the gross instalment credit balances stood at a record £88.25m, compared with £60.66m a year earlier, before deducting peak unearned finance charges carried forward of £16.69m (£10.56m).

The new branches are expected to be in overall profit for the current year. Since the year end, in order to reduce overheads, the company has merged the Wrexham branch with that at Mold, and the Manchester branch with Stockport.

Profit for 1982 includes £446,185 overprovision relating to previous years, arising on an adjustment to the percentages used in the formula for provisions for bad and doubtful debts. These are based on arrears which have been increasing in these times of economic recession. Also, the Inland Revenue indicated that it was not prepared to accept after 1980 the percentages which had been used for many years in arriving at the specific provisions.

Sub-contracting downturn puts R. Douglas into loss

A GENERAL shortage of work in its specialist sub-contracting and supply industries and pressure from main contractors has resulted in a very severe squeeze on margins at Robert M. Douglas Holdings. In the half-year to September 30 1982, this Birmingham-based civil engineer, builder and contractor fell into loss for the first time since its formation. Pre-tax losses were £96,000 against profits of £919,000 last time, and profits of £1.75m at the year-end.

The interim dividend is halved at 0.375p—last year's total was 3.5p net.

Mr J. R. T. Douglas, the chairman, says the results of trading by its various individual divisions, however, reflect the pattern discernible in the construction industries in the UK at the present time.

He says margins in general contracting work, although keen, are capable of being maintained and its overseas associate companies engaged in construction are also able to make reasonable profits. It remains difficult to collect the full value of contracts in reasonable time and some settlements are long overdue.

The re-organisation of the company's specialist contracting division has been taking place in an extremely difficult business environment, and further substantial effort is needed, he states.

The construction equipment division has continued to make good progress in Australia and New Zealand, but has encountered particularly difficult conditions in Ireland.

In the second half of the financial year, various factors combine to give cause for some degree of optimism and therefore an interim, albeit reduced, is considered to be appropriate.

Group turnover in the first half climbed from £56.48m to £65.37m. The pre-tax loss was after depreciation up marginally from £1.68m to £1.7m and associates profits of £103,000 (£175,000). Tax took £381,000 compared with £208,000.

The loss per 25p share was 3.1p against earnings of 4.7p.

● comment

Success in tendering for motorway construction and reconstruction and, possibly, new by-pass roads, over the coming months would bring a much needed lift to the orderbook at Robert M. Douglas. Though not a policy to buy business, clearly the competitive market has forced the group to go in for some pricing that leaves little room for error. So some success is not improbable but the impact on profits would not be all it could be. Even so construction, far and away the company's largest activity, is still producing a "reasonable" profit in the UK, with the exception of Scotland where the loss has been reduced. The focus of concern must remain on the general contracting and equipment divisions which are proving slow to respond to surgery, but moves away from sub-contract to direct work should breathe some life into margins on the general side. The tough environment overall has left its mark on the balance sheet where the traditionally strong net cash position has been eroded, but cash flow remains positive. The group's bad debt problems persist and continue to require sizeable provisions but do not appear to be growing and there is a glimmer of hope over payment from Egypt. Overall the action to stem haemorrhaging could allow the group to nudge back into the black to the second half. Yesterday shares slipped 5p to 70p.

Bevan chief says results depressing

FIRST HALF figures from D. F. Bevan (Holdings) make depressing reading, reports the chairman Mr John Wardle. The loss for the six months ended September 30 1982 has risen from £35,000 to £144,000 and the board feels it would be irresponsible to declare an interim dividend.

Turnover of this metal merchanting, casting and general engineering, and steel stockholding group, was little changed at £7.6m (£6.97m). The past eight months or so have shown a further deterioration in demand, says Mr Wardle.

The group made a trading profit, although it fell from £118,000 to £22,000, subject to interest charges of £166,000 (£153,000). Mr Wardle says that trading results for the second half should show a "significant improvement," although probably not sufficient completely to cover interest charges and expenses.

There is no tax charge this time (£7,000) but the addition of an extraordinary debit of £50,000 (£16,000) takes the net loss to £194,000 (£55,000).

The extraordinary item represents the full and final settlement of a claim in respect of which the subsidiary concerned was the innocent victim of circumstances beyond its control or anticipation.

BIDS AND DEALS

UDS puts assets at 140p in strong bid defence

BY RAY MAUGHAN

THOSE PARTS of UDS other than the John Collier and Richard Shops being sold to Burton for £78m are backed by assets of 140p per share. These core businesses, as UDS describes them, or the rump as Bassishaw Investments terms them, have produced pre-interest and tax profits of £21m in the year to January 29 1983, against £18.1m.

The value and profitability of the department stores, shoe shops, property assets, developing electrical outlets and duty free concessions which will remain within UDS form the basis of a robust defence against Bassishaw's £191m (100p per share) cash bid.

No plans have been unveiled yet to spin off the investment property portfolio but it is expected that UDS will propose a de-merger or a cash sale of those assets, excluding the empty Whiteleys store in West London's Queensway, to realise a further 25p for shareholders.

A revaluation of the John Collier and Richard Shops multiples was started early in January but the exercise was halted when Burton's proposals began to crystallise, and these are shown in the assets estimate at their book value of £91.4m.

Unaudited profit estimates for the continuing group show that profits before tax, but before property disposals, amounted to £16.7m in the year just ended against £15.7m previously. The surplus on disposals has risen from £2.4m to £6m to push up the entire group from £13.7m to £22.7m.

The immediate response from Bassishaw was once again understated as the pension fund backed consortium said that the defence document contains nothing to change its view that the 100p per share price tag should not be altered.

Further details will be forthcoming when, in the next few days, the circular containing the Burton deal particulars will be despatched. Its timing, like that of the investment property hive-off, has not been decided.

Sir Robert Clark, chairman of UDS, sets out strong reasons why almost the whole of the "continuing core business" will be retained.

Management will extend the Clover out of town home furniture centre in the department stores division, the "success and potential" of the Ocean Trading duty free operations make them an important core business, the multiple shoe retailing side is "capable of further profit growth" and the new Orbit Electronics outlets are "an exciting new development for the future."

The odd division out seems to be the Home Shopping division where profits slipped by £333,000 to £3m and where Sir Robert makes no remarks as to the future.

Nevertheless, Sir Robert asserts that "the core businesses, representing five-sixths of the present group's turnover, will continue to be one of the major retailing forces in the country."

See Lex

Stonehill plunges into the red

A £369,000 downturn has plunged Stonehill Holdings into the red for the 32 weeks to November 14 1982. Pre-tax losses came out at £206,000, against profits of £163,000, and the interim dividend is being omitted—2p net was paid last time. No final was paid from the company's year-end pre-tax profits of £21,000.

Turnover of this London domestic furniture manufacturer dipped from £9.93m to £8.51m. There was a trading loss of £52,000 against profits of £343,000. The pre-tax figure was after depreciation down from £180,000 to £154,000. No tax was payable for the period against £85,000 last time. Reorganisation costs were £187,000 and these are shown as extraordinary items. The loss per 25p share is shown as 4.43p (earnings 0.64p).

The directors say the company is currently trading profitably. They say the company does not anticipate any extraordinary expenditure in addition to that already incurred this year and, with the benefit of a full 12 months of economies, next year will reflect the improved trading figures the company has been experiencing in recent months.

The board believes the dividend question should not be considered until the end of this year when the effect of all changes that have occurred can be properly assessed.

"To contribute towards the growth and profitability of the group, the trade name of Beautility—one of the best known brand names in the furniture industry—has been acquired."

● comment

A small loss and a missed dividend from Stonehill was just about as bad as the market had feared—but probably no worse. The furniture trade is in poor shape and one reason for the lower turnover has been that Stonehill has resolutely turned away the sort of unprofitable business which has done such damage elsewhere in the industry. £187,000 has been charged for reorganisation in the shape of factory moves. All now hangs on the timing of the recovery. The board yesterday reported a substantial upswing in business since the turn of the year and a return to profitability at the mid-year point. But, with the year end now only six weeks away, there was no firm news on final dividend prospects or profits: some payment will need to be made to retain trustee status. The 1983-84 year will bring the benefits of the current upswing in business. But investors will like to see the fiscal 1982 total first.

Lift for River and Mercantile

Higher revenue and dividend, and a one-for-one scrip issue are announced by River and Mercantile Trust. And at the end of 1982 its asset value per share had risen over 12 months from 167.2p to 197.3p.

Net revenue was up from £1.76m to £1.99m in 1982, after tax of £0.96m (£0.81m). Earnings were ahead from 7.11p to 8.07p, and a final dividend of 5.6p makes a total of 8.25p, compared with 7.5p.

Meeting, March 24.

Anthony Gover emerges as Northern Goldsmiths' bidder

Anthony Gover, a privately-owned insurance consultancy company based in Southend, emerged yesterday as the bidder for Northern Goldsmiths with an offer worth £3.8m.

The company and Mr H. J. Gover yesterday bought 1m Northern shares equivalent to 28.9 per cent of the equity at 110p each from Northern's directors and their families, taking their holding to 33.7 per cent.

Gover is extending its offer to the remaining shares in accordance with the City Takeover Code, but intends to place any shares acquired so as to retain Northern's Stock Exchange listing.

Shares of Northern, a Newcastle-upon-Tyne based retail jeweller and bookmaker, rose 30p to 164p yesterday—54p up on the offer price.

Northern first announced on January 13 that a bid might be made for the company. Before this announcement, its shares were trading at 94p.

Gover has 18 offices throughout London, Essex, Kent and Surrey and had premium income of about £3.5m in the year ended April 30, 1982.

The directors of Northern and their financial advisors consider the terms to be fair and reasonable and are recommending shareholders to accept.

The present directors of Northern, with the exception of Mr Michael Royds, the chief executive, will resign and Mr Anthony Gover, chairman, and Mr Robert Pill, managing director of Gover, will be appointed to the board.

Associated British Ports allocations

THE GOVERNMENT'S £22m offer of a half share in Associated British Ports has received applications worth almost £740m.

Lead underwriters Schroder Wagg and Kleinwort Benson, announced yesterday that approximately 156,000 applications were received for a total of about 660m shares. A considerable amount of suspected multiple applications were rejected. Of the shares offered for sale, 18,563,035 will be allocated to the public and 736,965 will be allocated to employees.

Applications from the public will be allocated on the following basis:—100 to 2,500 shares inclusive—weighted ballot for 100 shares; 3,000 to 9,500 shares—3.3 per cent of the amount applied for subject to a minimum of 100 shares, in multiples of 10 shares; 10,000 to 24,000 shares—3 per cent of the amount applied for subject to a minimum of 310 shares, in multiples of 10 shares; 25,000 to 90,000 shares—2.9 per cent of the amount applied for in multiples of 25 shares; 100,000 shares and above—2.8 per cent of the amount applied for in multiples of 100 shares, subject to a maximum of 125,000 shares.

Following the offer for sale the Government's shareholding in ABP will represent 48.5 per cent of the issued share capital.

It is expected that letters of acceptance will be posted on Monday and that dealings will begin on the following day. Letters of regret in respect of unsuccessful applications will be posted on February 15.

Mining Supplies £1m midway loss

AFTER CHARGING £1m interest, against £831,000, the loss at Mining Supplies for the half year ended October 30, 1982 rose from £677,000 to £952,000. The depreciation charge was up from £995,000 to £1.16m.

The directors state that the mining supplies division produced a profit and should continue to trade profitably. But the Laurence Scott division showed a loss.

Corrective action has been taken which will assist in eliminating areas which have been responsible for heavy losses. P.P.D. Engineering has been sold and P.P.D. Electrical Enclosures closed. A management buy-out of P.P.D. Electrical Contractors should shortly be concluded.

Production of A.G.R. Motors started in October thereby making use of facilities at Norwich which had been idle. Further adjustments will be carried out at Laurence Scott to bring about improvements in performance which will be reflected in the year's results.

In the U.S. and more particularly South Africa, the investment in manufacturing facilities are proving rewarding. And they should form a "sound foundation" for further expansion in those areas for the group's specialised products, the directors state.

After tax of £32,000 (extraordinary credits £681,000) the half year's attributable loss came out at £984,000, against a profit of £4,000.

£370,000 for Gripperrods at halfway

Pre-tax profits at Gripperrods Holdings were £370,000 for the half year to October 30 1982 compared with a re-stated £325,000 in the corresponding period of the previous year. The comparable figure now reflects the write-off of £52,000 previously shown as an extraordinary item.

Turnover of this manufacturer and marketer of carpet underlay and laying fittings fell from £7.8m to £7.41m. The interim dividend is unchanged at 1.4p net—last year's total was 3.5p from pre-tax profits of £724,000 (£1.12m).

The pre-tax figure has been arrived at after writing off losses of £40,000 resulting from the disposal of Cimco International.

KCA tidying up structure

Mr Paul Bristol, chairman of KCA International, is to mount a management buyout for the non-oil operations of his group. The cost has yet to be agreed.

The group's main operating subsidiary, the 75 per cent owned KCA Drilling, will be linked with a second oil-related subsidiary, BW Mud, in a new publicly quoted company.

The deal has two main aims, according to Mr Bristol. First, it will boost confidence in the remaining publicly quoted group by hiving off the unprofitable operations not linked with oil. Second, it would tidy up the structure of a group "which nobody really understood."

The company explained that it would first sell its non-oil "rump" to Mr Bristol at a price to be agreed by all parties. This comprises Berry Wiggins, the ailing motor vehicle company, KCA Minerals, which has barytes mining operations in China and Malaysia, and Bengal Oil and Gas.

A new parent company would then be formed which would pay for the capital of International and the 25 per cent of Drilling not already owned by International. The offer will be a share exchange.

Mr Bristol said he would remain as non-executive chairman of the new quoted group, but "will devote 90 per cent of my time" to the private "rump." Mr John Wilson, who is currently deputy chief executive of International, is expected to become the new company's chief executive.

International's shares leapt 20p on news of the buyout, closing at 67p. Drilling rose 5p to 48p.

Widney losses increase

WITH VERY difficult trading conditions continuing, trading losses of Widney, the general engineering concern, increased sharply from £47,156 to £319,650 for the year ended September 30 1982. Turnover of the group, formerly known as Hallam, Sleigh & Cheston, declined by over 15 per cent to £4.38m, against £5.21m.

First-half losses had risen from £60,000 to £142,000. In the second six months sales levels did not pick up as anticipated, particularly in deliveries to the transport industry. Trading results were also adversely affected by a change in sales mix and by shorter lead times and production runs.

Since September, however, the level of sales has increased. Orders for Ministry of Defence work have been particularly noticeable and exports are buoyant.

There is no tax for the year, against a charge of £4,387 previously. After extraordinary credits of £31,848, compared with £304,946 debits, and the preference dividend of £9,800 last time, the net loss for the year was £287,802 (£371,289).

Loss per 10p share was 4.4p (£1.8p) before extraordinary items, or 4p (10.6p) after.

Watsham's improvement

FOR THE half-year to September 30 1982, Watsham's raised pre-tax profits from £401,000 to £537,000, on turnover doubled at £2.93m. Mr W. G. Haydon-Baillie, the chairman, says that trading performance in the current period is satisfactory.

The chairman states that the principal aims of maintaining a high level of independence from the increasingly volatile economic conditions worldwide and retaining a strong capital base, continue to allow the group to pursue its long-term view of development.

Earnings per 25p share for the first six months increased from 9.5p to 12.5p, while the interim dividend is a same-again 3.75p net—last year, a total of 11p was paid on taxable profits of £969,472.

The mid-year tax charge was up from £150,000 to £201,000 and net profits came through at 336,000, compared with £204,000 last time which was after deducting minorities of £23,000 and extraordinary items of £24,000.

Goose Green Farm receivers named

Following a request by the company's directors, Midland Bank has appointed Mr P. S. Padmore and Mr C. G. Bird of Price Waterhouse as joint receivers and managers of Goose Green Farm Poultry, based near Farnham, Surrey.

Trading is currently continuing with a view to selling the business as a going-concern.

Two Kode managers resign

BY CHARLES BATCHELOR

TWO SENIOR managers of Kode International, the Swindon-based maker of printed circuit boards and computer peripherals, have quit to set up their own company, Micro Systems Maintenance (MSM).

Mr John May, managing director of Kode Services, one of Kode International's four UK operating subsidiaries, and Mr Clive Marklew, formerly general manager, have obtained £100,000 worth of financial backing and plan to become operational in April.

MSM has secured £75,000 of banking finance with the rest being put up by Mr May and Mr Marklew, who will hold 60 and 40 per cent respectively of the equity.

MSM will initially employ 40 people and is aiming for turnover of £450,000 in the year ending March 31 1984 from a base in Swindon. It will repair and maintain micro-computers.

Mr May, who said his departure from the group was at his own initiative, attributed his leaving to "a change in management style" at Kode.

Last September Mr Terry Darlow, chairman, left the company and Mr E. N. Randall, a non-executive director, became non-executive chairman. Mr Peter Smith, managing director, also becomes chief executive.

Throgmorton Tst. earnings move ahead

Gross revenue of the Throgmorton Trust moved ahead from £4.35m to £4.63m for the year to November 30 1982, while pre-tax figures rose to £4.1m, compared with £3.7m.

Interest charges decreased from £344,000 to £219,000. Tax took £1.23m (£1.15m) and earnings per 25p share improved from 5.856p to 6.621p. The year's dividend is raised by 0.5p to 6.5p net with a final of 3.75p (same).

Net asset value per share was up from 140.7p to 172.6p at the year end, and stood at 175.9p at December 31 1982.

Yorkgreen turns in £168,594

PRE-TAX PROFITS of Yorkgreen Investments for the year to October 31 1982 were £168,594, compared with £177,447 for the previous 18 months period. On an annualised basis, the taxable result was 42.5 per cent higher.

Turnover increased by 62 per cent annualised to £1.71m (£1.58m for 18 months). The tax charge was £13,536 (£12,941 credit) and after extraordinary credits of £20,461 (£121,041 debits), the attributable surplus came out at £175,519, against £89,347 for 18 months.

Earnings per 10p share before extraordinary items were 2.42p (1.98p adjusted to a 12 month period) or 2.74p (0.72p adjusted) after the same. A final dividend of 0.2625p makes a net total of 0.525p (0.65625p for 18 months) —a 20 per cent increase on the previous annualised rate.

Taxable profits of the Interlite subsidiary were £256,851 for the year, against £248,924 for the previous 18 months.

Gross revenue in the year at Yorkgreen Oil and Gas was £68,781 and after deduction of liabilities and operating costs, net oil and gas revenue before depletion cost of £12,000 was £34,268. No revenue was received previous to this year.

The listing of the company's shares was suspended on February 4 at the directors' request to allow negotiations to be progressed on a major acquisition. It is expected that these negotiations will be finalised by mid-March.

Kennedy Brookes jumps to £565,000

With group sales soaring from £3.7m to £9.49m, Kennedy Brookes reports profits before and after tax up from £267,253 to £565,312 for the 53 weeks to October 31 1982. The results incorporate Mario and Franco Restaurants for a 12-month period, but Genevieve Restaurants for a three-month period only. Had Genevieve Restaurants been included for the 12 months Kennedy Brookes turnover would have exceeded £10.7m.

The directors expect this caterer and restaurateur to make further progress over the current year as a whole—trading so far this year has shown an improvement on 1981-82. They say the general level of demand appears to have improved, and the recent fall in the exchange rate prices should ensure the summer trade will be no worse than last year.

The directors intend to continue the policy of expansion, and in particular intend to play an active role in the formation and launch in London of the Maxim's of Paris restaurant, private catering and catering college.

Agreement has been reached with Galleon World Wide Travel in which Kennedy Brookes currently has a 20 per cent shareholding to market Mario and Franco holidays in Italy. Galleon will also be engaged in promoting London restaurants (including many of the Kennedy Brookes restaurants) through the Table d'Hote promotion scheme which is to be sold worldwide.

The total dividend is raised from 1.05p to 1.225p net with a final 0.7p (same). Earnings per 10p share increased from 15.17p to 17.64p.

Kennedy Brookes' shares are dealt on the Unlisted Securities Market.

Improvement by Fleming American

Available ordinary earnings at Fleming American Investment Trust moved up from £1.57m to £1.77m for 1982.

The net final dividend has been lifted 1p to 7.5p—against a forecast of 6.5p—which raises the total from 9.5p to 10.5p. Earnings per 25p share were given as improving by 1.18p to 10.73p.

Net asset value was shown as rising from 301.5p to 390.9p—at the half-way stage it stood at 291.5p.

Results due next week

After a bumper year in 1981, when Lloyds reported profits up by a third, helped along by useful yield interest rates, 1982 might prove to be a disappointment. On Friday, the market expects to see profits for the calendar year down by about 15 per cent to around £330m. Forecasts are made even more than usually difficult by the fact that Lloyds is the first of the clearing banks to report and by that banking imponderable—provision for bad debts. Both Lloyds and Scottish, the Lloyds Bank International have already produced results below market expectations and LBI's provisions were sharply up at £115m. For the parent bank, these are likely to have more than doubled; a figure of around £200m may not be to far out. All the same, the dividend should rise, probably by 10 to 20 per cent.

When ITT placed 40m STC shares last October, STC surprised the market by forecasting pre-tax profits for the year ending December of £63m, compared with £30.6m in 1981. But several analysts are now expecting even this forecast to be bettered when the results are announced on Friday by as much as £4m. Without heavy research and development expenditure in 1982, a higher figure would have been possible, but in the current year KCA/rder control of the R and D budget is anticipated. Among the factors behind the 1982 profits increase are several large orders for its cable division, favourable timing of the deliveries of some systems and recovery in the components division to profits of about £4m. The dividend should be as forecast at the time of the ITT offer and coincidental scrip issue, 6p net.

The full year results from Nottingham Manufacturing, due on Monday, may prove a testing time for the share price which has defied analysts' comments on the interim report by rising to a 12-month peak over the past six months. The range of forecasts is a narrow one—from £21m to £22.5m—but the consensus appeared last week to be concentrating around the lower figure. The doubts are founded in the persistence of the depression in textiles, which brought disappointing trading profits at half time, raised to acceptable net levels only by a sharp increase in investment income. Moreover, the group's margins could be pressured further by Marks and Spencer, the major customer. There are few doubts about the longer term—Nottingham Manufacturing has a strong balance sheet and has taken the necessary cost-cutting measures.

Few surprises are expected in the interim results for Dalgety, due on Tuesday, although opinions have become more optimistic as the outlook for the U.S. economy has taken a turn for the better. Earlier predictions of virtually unchanged profits for the half-year of around £46m before tax, are now creeping up towards the £50m level. The chief hope lies in North America where increased housing starts may have boosted timber earnings, and from falling interest rates which at present cost the group around £30m annually. A question mark, on the other hand, lies over the Australian operations, which face recessionary times. But improvement in profits on any scale is unlikely to come through until next year. At present, the yield is the chief attraction of the shares.

Other results out next week include full-years from Manchester Ship Canal on Monday and from Hoover and Birmid Qualcast on Thursday.

Company	Announcement due	Dividend (p)* Last year Int.	Last year Final	This year Int.
FINAL DIVIDENDS				
Adams and Gibbon	Thursday	1.25	2.876	1.25
Alexanders Holdings	Tuesday	—	—	—
Birmid Qualcast	Thursday	0.1	1.4	0.1
Broadstone Investment Trust	Monday	2.2	5.25	2.2
Drake and Scull Holdings	Monday	1.25	1.75	1.25
Gooda Durrant and Murray Group	Thursday	—	0.875	—
Greenfields Leisure	Friday	—	0.5	0.25
Hadland Holdings	Wednesday	0.83	1.69	0.84
Hoover	Thursday	—	—	—
Hunterprint Group	Monday	—	—	—
Lancashire & London Investment Trust	Tuesday	—	2.875	—
Lloyds Bank	Friday	8.625	12.75	9.92
London and Lomond Investment Trust	Wednesday	1.6	2.4	1.7
Macpherson (Donald) Group	Tuesday	1.5	2.7	1.5
Manchester Ship Canal	Monday	—	—	—
Meldrum Investment Trust	Tuesday	1.25	2.2	1.35
Metal Bulletin	Friday	2.0	3.5	2.2
Newmarket Company	Tuesday	—	—	—
Nottingham Manufacturing	Monday	1.1	3.4	1.2
Pentland Investment Trust	Tuesday	1.5	4.85	1.5
Plastic Constructions	Monday	0.836	1.254	0.836
Standard Telephones and Cables	Friday	4.5	9.0	6.0
Trust of Property Shares	Thursday	—	0.25	—
Updown Investment	Wednesday	—	2.25	—
INTERIM DIVIDENDS				
Anal Industries	Wednesday	0.541	0.811	
Dalgety	Tuesday	11.0	11.0	
Epicure Holdings	Wednesday	0.625	1.125	
Equiou	Thursday	1.1	2.0	
Ewart New Northam	Wednesday	1.0	3.0	
Fleming Enterprise Investment Trust	Thursday	2.0	4.5	
Guildhall Property	Tuesday	0.75	4.8	
Hampson Industries	Tuesday	0.75	0.5	
Heelamal Holdings	Tuesday	2.0	3.8	
Press Tools	Monday	0.8	1.2	
Reliance Knitwear Group	Thursday	0.77	0.77	
Webb (Joseph)	Wednesday	0.1313	0.3787	
Worthington (A. J.) Holdings	Monday	0.38	0.38	
INTERIM FIGURES				
Murray Caledonian Investment Trust	Monday			
Young (H.) Holdings	Friday			

* Dividends are shown net except where otherwise stated and are adjusted for any intervening scrip issue.

HB Electronic Components

Arrangements have been completed for a placing of 17 per cent of the ordinary share capital of HB Electronic Components, the company announced yesterday. Dealings in the shares of the electronics distribution company, formerly wholly owned by W. Canning, are likely to commence on the Unlisted Securities Market on Thursday. Details and comment will appear on Monday.

Atlantic Metropolitan

Atlantic Metropolitan Corporation is offering £90 nominal of 12 per cent convertible unsecured loan stock as part of its agreed terms for Anglo Metropolitan Holdings. Friday's edition omitted to state that the stock was convertible.

DIVIDENDS ANNOUNCED

	Current payment	Date of payment	Corresponding div.	Total for year	Total last year
D. F. Bevan ....int.	nil	—	0.25	—	1
British Assets Tst. ...int.	1.2	Apr. 8	1.1	—	4.55
Rbt. M. Douglas ......int.	0.38	Apr. 8	0.75	—	3.5
Glasgow Stockholders ...	1.5	Mar. 22	1.4	2.5	2.35
Gripperrods ....int.	1.4	Apr. 4	1.4	—	3.5
Kennedy Brookes	0.7‡	June 27	0.7	1.23	1.05
River & Mercantile	5.6	Mar. 25	5	8.25	7.5
Ron Estates	4	Apr. 6	2	4	2
Second Alliance ......int.	2.75	Apr. 5	2.25	—	9.8
Stonehill Hldgs. ......int.	nil	—	2	—	2
Throgmorton Trust	3.75	Apr. 5	3.75	6.5	6
Wagon Finance	1.69	Apr. 1	1.69	2.31	2.31
Watsham's ....int.	3.75	Mar. 31	3.75	—	11
Yorkgreen Invests.	0.26	—	0.22	0.53	0.66§

Dividends shown pence per share net except where otherwise stated.

* Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. ‡ USM Stock. § For 18 months.

OFFER TO PEARSON LONGMAN PREF.

Lazard Brothers on behalf of S. Pearson and Son is to make cash offers for the outstanding 171,693 5¼ per cent and 173,175 7 per cent cumulative preference shares in Pearson Longman. Of the shares Pearson already owns 33.5 per cent and 33.2 per cent respectively.

The offer for the 5¼ per cent is 58.5p and represents an increase of 54 per cent over the middle market quotation of 38p on February 10 while the price for the 7 per cent is 78p, equal to a 50 per cent rise on the market quote of 52p.

S. G. Warburg is representing the outstanding shareholders and considers the terms fair and reasonable and will be recommending acceptance.

TARMAC SELLS COOLAG DIVISION

Tarmac Building Products is to sell its Glossop-based Coolag industrial division. It has agreed to sell the business to the Coolag management who will in future trade as Koolthern Insulation Products.

The management is the major shareholder in the new company with the financing package being arranged by Gresham Trust, in conjunction with Yorkshire Bank.

Mr John Whelan continues as managing director of the new company, Koolthern. Coolag Purlboard is unaffected by this agreement.

PENTOS

Mr Terry Maher, chairman of Pentos, the publishing, engineering and office furniture manufacturer, has never been employed by or had any business links with Slater Walker, as was stated in the Financial Times yesterday.

هكذا عمل الكل

WEEK'S COMPANY NEWS

Take-over bids and deals

Burton agreed to buy from **UDS** the Richard Shops and John Collier chains for £78m. Burton is offering UDS shareholders 40p in cash or the equivalent in its own shares to implement the deal, but **Bassishaw Investments**, the consortium led by Mr Gerald Ronson's Heron Corporation which has bid 100p per share cash for the whole of UDS, obtained a ruling from the Takeover Panel that if its offer goes unconditional, the Burton deal would not go ahead unless it had been previously sanctioned by UDS shareholders at an extraordinary meeting. Bassishaw's offer reaches its first closing date next Thursday, well before meetings of the Burton/UDS shareholders can be convened to ratify the £78m deal.

Property group **Crest International Securities** is in talks which may lead to an offer for the company. Seven months ago, Howard Tenens, since acquired by Espley-Tyas, made an offer for Crest, but this lapsed on Espley's move for Tenens.

After last week's decision to close the Timothy Whites chain of shops, **Boots** went on the offensive and agreed to acquire **Optrex**, a Hoechst subsidiary, in a deal worth £9.25m. The purchase is seen as part of Boots' plan for revitalising its industrial and retailing divisions.

A last-minute acceptance by Mr Joe Hyman of **Vantona**'s offer for his 7 per cent stake in **Carrington Viyella** ended opposition to the £16.4m bid. The move took Vantona's holding in Carrington Viyella to 95.26 per cent and the offer became unconditional. Vantona had threatened to pull out of the deal unless it had 90 per cent acceptances.

Anglo Metropolitan Holdings and **Atlantic Metropolitan Corporation** of the U.S. have finally agreed terms for a revised £5.3m offer to be made by Atlantic Metropolitan UK, a subsidiary of Atlantic. The new terms are £90 cash or £90 nominal of 12 per cent Unsecured Loan stock for every 100 Anglo shares.

Caparo Industries made an agreed 60p per share cash offer for **E. Austin**, the loss-making fork-lift concern, valuing the latter at £2.5m. Caparo intends to develop Austin's property management and investment interests.

Newman-Tonks, the engineering and building supplier, made an agreed bid for **Jeavons Engineering**. The bid was triggered by an agreement from Pentos to sell its 40 per cent stake in Jeavons. On the basis of a one-for-one share swap, the offer values Jeavons at £4m. There is a cash alternative of 66p per share which Pentos is accepting. Jeavons was taken over by Pentos in 1976, but refloated in 1981 when 60 per cent of the shares were offered at 62p. The offer was a flop with nearly two-thirds of the shares left with the underwriters.

Company bid for	Value of bid per share**	Market price**	Price before bid	Value of bid £m's**	Bidder
Prices in pence unless otherwise indicated.					
Aberthaw Cement	691§	580	420	19.88	Blue Circle
Anglo Met	90*	86	80	5.31	Atlantic Met
Austin (E.)	60*	57	50	2.54	Caparo Inds
Edin & Gen Ins	22½	20	13	4.90	Mills & Allen Intl
Green (R.)	121§ §§	131	81	13.93	Beazer (C. H.)
Green (R.)	135*	131	115	16.47	Throgmorton Tst
Highams	75*	75	63	4.55	Largs
Jeavons Eng.	68§	72	62	3.81	Newman-Tonks
Mixconcrete	210*	208	115	19.52	Pioneer Concrete
Rowan & Boden¶¶	60*	59	40	2.42	Firth (G. M.)
Sumrie	65*§	75	70	0.95	Afcor Invs
Sykes (Henry)	37*	36	25	3.16	Alco Standard
UDS	100*	107	89	190.7	Bassishaw Invs

* All cash offer. † Cash alternative. ‡ Partial bid. § For capital not already held. ** Based on February 11 1983. †† At suspension. ‡‡ Estimated. §§ Shares and cash. ¶¶ Unconditional.

PRELIMINARY RESULTS

Company	Year to	Pre-tax profit (£000)		Earnings* per share (p)		Dividends* per share (p)	
Aaronson Bros	Sept	950	(543)	1.7	(—)	1.2	(1.2)
Albion	Sept	748L	(787)L	—	(—)	—	(—)
Camford Engn	Sept	733L	(1,460)L	—	(—)	—	(—)
Crest Nicholson	Oct	6,720	(6,320)	10.2	(8.9)	3.15	(2.85)
DAD Properties	Dec	519‡	(468)‡	1.9	(1.9)	1.9	(1.8)
Dew (George)	Oct	2,540	(510)§	28.0	(—)	5.7	(3.4)
Ford (Martin)	Nov	187	(101)	1.0	(1.1)	0.75	(0.65)
Imperial Group	Oct	154,300	(106,000)	16.4	(12.8)	7.25	(7.25)
Ladies Pride	Nov	313	(623)	2.4	(6.2)	4.0	(4.0)
Ley's Foundries	Sept	2,390L	(2,430)L	—	(—)	—	(0.5)
Lonrho	Sept	75,100	(111,600)	7.6	(13.5)	9.0	(9.0)
SAI	Dec	4,730	(4,134)	37.3	(34.5)	16.5	(14.75)
Securicor Group	Sept	11,410	(9,320)	10.2	(9.8)	1.3	(1.19)
Security Services	Sept	9,430	(7,960)	12.5	(10.2)	2.47	(2.25)
TSL Thermal	Oct	637L	(509)	—	(7.5)	1.0	(7.0)
Webber Electro	Sept	230	(189)	8.8	(7.1)	3.5	(3.5)

INTERIM STATEMENTS

Company	Half-year to	Pre-tax profit (£000)		Interim dividends* per share (p)	
Amstrad Electrncs	Dec	4,590	(2,590)	1.12	(0.94)
Apex Properties	Sept	275	(347)	0.7	(0.7)
Assam Trading	Sept	33L	(56)	—	(—)
Atlntc Resources	June	82L‡	14‡	—	(—)
Benn Brothers	Dec	146	(384)	1.3	(1.3)
BOC Group	Dec	16,600†	(23,100)†	—	(—)
Brannn	Sept	144L	(23)	—	(—)
Candecca	Sept	71	(206)	—	(—)
Cantors	Oct	104	(147)L	—	(—)
Dale Electric	Oct	1,020	(301)	1.2	(0.7)
English Assoc	Dec	909	(917)	1.0	(0.91)
Helton Holdings	Oct	1,090‡	(144)‡	—	(0.5)
Hwrd Shuttering	Oct	203	(227)	0.55	(0.54)
Meat Trade Suplrs	Oct	75	(132)	1.75	(1.75)
ML Holdings	Sept	309	(453)	2.0	(2.0)
SelecTV	Sept	210L	(—)¶	—	(—)
Stocklake Hldgs	Sept	1,930	(2,290)	3.0	(3.0)
Triplex Foundries	Sept	781L	(371)L	—	(—)
Uld Real Prop	Oct	880‖	(859)‖	1.5	(1.25)
Wiggins Group	Sept	330	(273)	1.25	(1.15)

(Figures in parentheses are for the corresponding period.)

* Dividends are shown net except where otherwise stated. † First quarter figures. ‡ In I£. ¶ No comparable figure. ‖ Revenue before tax. § For the period from March 6 1981 to November 1981. L Loss.

Offers for sale, placings and introductions

Miss World—Mr Eric Morley plans to bring the company to the Unlisted Securities Market.

Newman Industries proposes to issue two new classes of voting shares and make an open offer for cash at par of 62m convertible shares.

William Sinclair Holdings is coming to the Unlisted Securities Market by way of an introduction.

Rights Issues

Dominion International is making a rights issue on the basis of two new ordinary shares for every five ordinary at 73p and/or five new ordinary 20p shares for every six £1 preference shares to raise £6.2m.

Mettoy is raising £3.04m by way of a rights issue on the basis of three for four at 25p per share.

Ultramar is raising £108m via a one for four rights issue at 400p per share.

LONDON TRADED OPTIONS

Option		Calls April	Calls July	Calls Oct.	Puts April	Puts July	Puts Oct.
BP (USP 524)	260	72	—	—	3	—	—
" "	280	52	—	—	4	—	—
" "	300	32	40	48	10	16	20
" "	330	12	20	26	24	32	40
" "	360	4	10	—	50	56	—
CGF (USP 569)	390	183	187	—	1½	2	—
" "	420	162	167	—	2	4	—
" "	460	112	117	—	5	11	—
" "	500	74	85	95	15	22	27
" "	550	42	50	70	30	37	47
" "	600	23	32	42	60	62	72
CTD (USP 86)	70	20	22	24	2	2½	3½
" "	80	12	14	17	3	5	7
" "	90	6	8	10	7	9	10
CUA (USP 134)	120	16	18	—	2	4	—
" "	130	8	13	—	8	9	—
" "	140	6	7	13	17	18	20
" "	160	2	4	5	32	34	36
GEC (USP 916)	200	—	32	42	—	11	17
" "	217	11	—	—	12	—	—
" "	220	—	12	27	—	19	24
" "	237	4	—	—	26	—	—
" "	240	—	10	—	—	62	—
" "	260	2	6	—	45	48	—
GMH (USP 355)	240	117	—	—	1	—	—
" "	260	87	—	—	1	—	—
" "	280	77	82	—	2	3	—
" "	300	67	62	—	3	5	—
" "	330	51	39	46	8	10	10
" "	360	13	21	28	20	26	26
ICI (USP 394)	260	138	—	—	2	—	—
" "	280	112	—	—	2	—	—
" "	300	98	108	—	8	3	—
" "	330	68	78	—	4	5	—
" "	360	42	68	60	0	13	16
" "	390	22	64	42	20	26	60
" "	420	9	17	24	38	42	44
LS (USP 309)	240	73	—	—	2	—	—
" "	260	53	58	66	2	4	6
" "	280	65	38	44	6	9	13
" "	300	17	22	31	11	15	19
M & S (USP 207)	160	51	—	—	1½	—	—
" "	180	31	67	42	2	5	7
" "	200	18	25	61	7	19	17
" "	220	0	16	20	10	26	26
" "	240	3	6	—	35	38	—
SHL (USP 458)	360	84	—	—	—	—	—
" "	390	54	58	64	3	7	0
" "	420	64	40	44	14	16	22
" "	460	9	16	—	34	30	—

Option		Calls Feb.	Calls May	Calls Aug.	Puts Feb.	Puts May	Puts Aug.
BSL (USP 455)	350	—	—	—	1	—	—
" "	360	75	60	90	1	4	8
" "	383	—	—	—	9	—	—
" "	390	46	50	60	9	D	15
" "	420	17	27	40	0	20	60
" "	460	—	16	24	—	40	60
IMP (USP 127)	90	38	38	—	0½	1	—
" "	100	28	28	—	0½	1	—
" "	110	18	18	21	1	6	6
" "	120	8	19	15	2	8	10
" "	130	2	6	0½	6	14	16
LMO (USP 292)	260	35	55	52	0	10	17
" "	280	17	40	47	8	20	97
" "	300	4	25	30	18	27	35
" "	330	2	12	19	42	62	62
" "	360	0	4	—	72	77	—
" "	390	2	2	—	102	107	—
LNR (USP 91)	60	32	—	—	0¼	—	—
" "	70	22	—	—	1	—	—
" "	80	12	13	13	1	3	4
" "	90	2½	6	8½	2	9	11
" "	100	0½	8½	4½	10	17	10
P & O (USP 122)	100	22	26	97	1	2	6
" "	110	12	18	19	1	4	8
" "	120	4	13	15	4	7	18
" "	130	1	5½	9	11	14	84
" "	140	1	3	—	21	24	—
" "	160	0½	1	—	41	45	—
RCL (USP 474)	390	87	—	—	1	—	—
" "	420	67	—	—	2	—	—
" "	460	18	45	58	4	20	97
" "	500	1	25	39	38	37	44
" "	550	2	12	20	80	82	84
" "	600	2	6	8	130	132	164
" "	650	1	2	—	180	182	—
RTZ (USP 527)	360	226	—	—	—	—	—
" "	360	196	—	—	1	—	—
" "	390	165	167	—	1	1	2
" "	420	135	137	137	1	2	6
" "	460	96	100	105	1	6	14
" "	500	55	70	88	2	18	97
" "	550	7	37	50	14	37	48
VRF (USP 127)	55	72	—	—	0½	1	—
" "	60	67	07	—	0½	1	—
" "	70	57	57	—	0½	1	—
" "	80	47	47	47½	0½	0¾	—
" "	90	37	67	37½	0¾	1½	0½
" "	100	27	27	27½	0¾	3	6
" "	110	17	18½	22½	0½	6	9½
" "	120	7	13½	17	1½	10½	14½
" "	130	—	8½	13	—	15	19

Feb. 11 Total Contracts 8,153 Calls 2,455 Puts 888

RESULTS AND ACCOUNTS IN BRIEF

WINTERBOTTOM ENERGY TRUST (Investment trust)—Results for year *to November 30 1982 reported January* 8. Investments £15.65m (£20.77m) including overseas at market value £13.99m (£19.29m) and temporary deposits £853,474 (£212,160), shareholders funds £13.45m (£15.84m); net current liabilities £29,768 (£48,178 assets); total increase in liquidity £626,000 (£169,000). Meeting: Great Eastern Hotel, EC, March 1, 11.00 am.

BARKERS HOUSEHOLD STORES (LEEDS) (non-food self service stores)—Results for year to October 2 1982 reported January 8. Shareholders funds £3.49m (£3.1m); fixed assets £1.79m (£1.44m); net current assets £1.91m (£1.98m); increase in cash resources £352,814 (£724 decrease). Chairman says current trading has shown upturn. Meeting: Leeds, March 2, noon.

UNITED SCIENTIFIC HOLDINGS (armoured vehicle, and optical and electronic equipment maker)—Results for year to September 30 1982 reported December 18. Shareholders funds *£45.58m (£40.19m); fixed assets* £17.99m (£12.72m); net current assets £23.06m (£31.73m); decrease in working capital £786,000 (£3.87m increase); increase in bank balances £1.89m (£971,000 decrease). Meeting: White House Hotel, NW, March 2, noon.

DURA MILL—For six months ended September 30 1982. Turnover £358,744 (£341,155). Profit £2,164 (£2,599), after depreciation £1,389 (£1,511) and interest £5,235 (£2,988), but before tax £856 (£1,040).

LADBROKE INDEX
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BASE LENDING RATES

A.B.N. Bank	11 %	Gulf G'tee Trust Ltd.	12 %
Allied Irish Bank	11 %	■ Hambros Bank	11 %
Amro Bank	11 %	Hargrave Secs. Ltd.	11 %
Henry Ansbacher	11 %	Heritable & Gen. Trust	11 %
Arbuthnot Latham	11 %	■ Hill Samuel	§11 %
Armco Trust Ltd.	11 %	C. Hoare & Co.	†11 %
Associates Cap. Corp.	11 %	Hongkong & Shanghai	11 %
Banco de Bilbao	11 %	Kingsnorth Trust Ltd.	12 %
Bank Hapoalim BM	11 %	Knowsley & Co. Ltd.	11½%
BCCI	11 %	Lloyds Bank	11 %
Bank of Ireland	11 %	Mallinhall Limited	11 %
Bank Leumi (UK) plc	11 %	Edward Manson & Co.	12 %
Bank of Cyprus	11 %	Midland Bank	11 %
Bank Street Sec. Ltd.	10½%	■ Morgan Grenfell	11 %
Banque Belge Ltd.	11 %	National Westminster	11 %
Banque du Rhone	12 %	Norwich Gen. Tst.	11 %
Barclays Bank	11 %	P. S. Refson & Co.	11 %
Beneficial Trust Ltd.	12 %	Royal Trust Co. Canada	11 %
Bremar Holdings Ltd.	12 %	Roxburghe Guarantee	11½%
Brit. Bank of Mid. East	11 %	Slavenburg's Bank	11 %
■ Brown Shipley	11 %	Standard Chartered	‖11 %
Canada Perm't Trust	11½%	Trade Dev. Bank	11 %
Castle Court Trust Ltd.	11½%	Trustee Savings Bank	11 %
Cayzer Ltd.	11 %	TCB	11 %
Cedar Holdings	11 %	United Bank of Kuwait	11 %
■ Charterhouse Japhet	11 %	Volkskas Intl. Ltd.	11 %
Choulartons	11½%	Westpac Banking Corp.	11 %
Citibank Savings	¶ 9 %	Whiteaway Laidlaw	11½%
Clydesdale Bank	11 %	Williams & Glyn's	11 %
C. E. Coates	12 %	Wintrust Secs. Ltd.	11 %
Comm. Bk. of N. East	11 %	Yorkshire Bank	11 %
Consolidated Credits	11 %		
Co-operative Bank	*11 %		
The Cyprus Popular Bk	11 %		
Duncan Lawrie	11 %		
E. T. Trust	11 %		
Exeter Trust Ltd.	12 %		
First Nat. Fin. Corp.	13½%		
First Nat. Secs. Ltd.	13 %		
Robert Fraser	12 %		
Grindlays Bank	‡11 %		
■ Guinness Mahon	11 %		

■ Members of the Accepting Houses Committee.
* 7-day deposits 8%, 1-month 8.25%. Short-term £8,000/12-months 10.6%.
† 7-day deposits on sums of: under £10,000 8%, £10,000 up to £50,000 8¼%, £50,000 and over 9¼%.
‡ Call deposits £1,000 and over 8%.
‖ 21-day deposits over £1,000 9%.
§ Demand deposits 8%.
¶ Mortgage base rate.

CONTRACTS

£7.5m work for Clugston

CLUGSTON CONSTRUCTION has received over £7.5m worth of orders for a variety of building and civil engineering contracts. Largest is a £2.8m superstore for J. Sainsbury at Kimberley, Nottingham. Further building contracts totalling £2m have been obtained from the Property Services Agency, City of Bradford Metropolitan Council and Rileys Crisps of Scunthorpe. Civil engineering contracts worth over £2.5m have been awarded by Anglia Oils, Hull, Lingrain at Boston, Property Services Agency at RAF Scampton and British Waterways at Stoke Bardolph Lock.

★

The Capital-Chapman Group has secured a contract through civil engineering subsidiary **RILEY & WHISHAW**, to the value of £180,000. Work began at the end of February on a gypsy accommodation site at Kiln Lane for Epsom and Ewell Borough Council.

★

An £800,000 design and construct contract to extend the existing factory and office of Ginsters Cornish Pasties, Callington, has been awarded to **E. THOMAS AND CO.** The contract includes extra baking and cooling facilities. A new building will be equipped with a laboratory and atest bakery. Work will be completed by the end of October.

★

SERCK CONTROLS, a BTR company, has won an order worth nearly £400,000 to supply a SCADA (Supervisory Control and Data Acquisition) system to the Sunderland and South Shields Water Company. The system will provide centralised monitoring and control of the water supply and distribution system within the company's operational area, and will replace an earlier system which is now fully committed. The system comprises a dual mini-computer based master station with colour VDU's and printers, together with 23 remote outstations.

★

Under a £100,00 contract, **NEWBURY DATA RECORDING** is to build a further 13 Videotex network concentrators for the Maidenhead-based micro systems company, *Micro Scope. Included* are 38 Newbury Data 8000 Series VDUs and eight matrix printers.

★

R. G. CARTER, Norfolk, has won a £2m-plus contract for building work on a hangar at Marshall's airport in Cambridge. It will eventually house former British Airways TriStar aircraft which are to be converted to RAF tankers.

★

NORSK DATA, UK subsidiary of a Norwegian computer company, has won an order worth £1.2m to supply additional computer systems for data analysis work at the Joint European Torus (JET) nuclear fusion project at Culham, Oxfordshire. This is in addition to the £1m worth of computers already supplied by ND for the distributed Control and Data Acquisition System (CODAS) at JET. The latest order covers another nine computers which will link to the CODAS double-star computer configuration, and provide additional computing resources for the analysis of experimental data. The ND computers will be used both by JET's own specialists and by visiting scientists. The contract also includes memory and disk upgrades to the existing ND computers at JET.

★

LLANELLI RADIATORS, part of the Su-Butec Group, is to produce all the radiators and seat frames for the Austin Rover Maestro. The contract is worth over £4m in the first full year alone. The company is producing 2,500 each of the coolant radiators and the heater radiators per month, and 8,500 seat frames.

★

Contracts worth £2.65m have been awarded to **SINDALL CONSTRUCTION**. Samuel Road housing in Walthamstow for the London Borough of Waltham Forest, for completion in September 1983, worth £962,000. Stage 4 extension to the local examinations syndicate buildings, Cambridge, for the University, for completion in December 1984, worth £1.696m.

★

GEORGE DEW has won contracts valued at £2.5m. A contract for £1.5m has been awarded to George Dew International (Dubai) to build a plant nursery and production complex at the University of Qatar, Doha. Two North-West Water Authority contracts are worth a further £1m-plus to the group's UK operations for work in the Northwich and Wigan areas.

APPOINTMENTS

Retail change

The **CO-OPERATIVE WHOLESALE SOCIETY** has appointed Mr David Skinner as controller designate of its retail division to succeed Mr Ronald Byrom on his retirement in June. Mr Skinner has been controller of the Society's non-food division since 1974.

★

Mr William P. C. Grassick has been appointed executive director in the **SCOTTISH DEVELOPMENT AGENCY'S** London office in succession to Mr Denzil Dunnell who retired last year. Mr Grassick retired recently from British Petroleum where he was director of group control and financial services.

★

Mr Eddie Poe has been appointed vice-president, chartering and contracts, at **NAVIOS CORPORATION**.

TREND OF INDUSTRIAL PROFITS

ANALYSIS OF 105 COMPANIES

A quickening in the pace of recovery in business profits is indicated in the table below. However, the statistics are for the month of January, a relatively slack period for corporate reporting, and are based on reports from only 105 companies, less than half the totals for the closing months of last year. Financial years of all companies reported ended in the period between April 1 and June 30 1982. The figures are in £m and the corresponding figures for the previous year are given in brackets.

The upturn in consumer profits was continued in January but the chief feature was the increased pace of recovery in industrial company earnings.

Weak spots, however, were the motor industry, where profits remained under pressure inspite of an improvement in sales. The oil industry, too, saw profits slip. In the related chemicals industry, however, there has been a significant upturn in profitability.

On the consumer side, reports from health and household product companies show a substantial upturn. On the food industry side, the stress has been on the manufacturing companies with the retailers still showing increased profit also. The brewing and distilling sector continues to move ahead from the disappointing conditions of last year.

The financial sector shows a marked improvement, but this will be put more fully to the test during this month when the clearing banks report their profits for the past year. The January profit totals include results from a number of discount houses which generally benefited from falling interest rates.

A notably poor performance has come from the mining finance houses, where profitability is strongly influenced by currency considerations. Overseas traders, too, have recorded slower profits growth, which in part reflects the fall in sterling over the past three months.

INDUSTRY	No. of Cos.	Turnover (1)	Profits before Int. & Tax (2)	Pre-tax Profits (3)	% chnge	Tax (4)	Earned for Ordinary Dividends (5)	% chnge	Ord. dividends (6)	% chnge	Cash Flow (7)	Net Capital Employed (8)	Net Return on Cap % (9)	Net Current assets (10)
BUILDING MATERIALS	—	— (—)	— (—)	— (—)	—	— (—)	— (—)	—	— (—)	—	— (—)	— (—)	— (—)	— (—)
CONTRACTING, CONSTRUCTION	5	597.1 (490.7)	85.9 (70.9)	61.9 (51.3)	+20.7	13.4 (13.1)	48.4 (38.2)	+26.7	14.0 (11.0)	+27.3	38.6 (31.5)	385.4 (319.0)	22.3 (22.2)	203.0 (192.3)
ELECTRICALS	8	1,210.6 (1,073.1)	154.0 (121.4)	134.8 (105.6)	+27.6	70.6 (48.9)	62.6 (54.8)	+14.0	26.4 (23.2)	+13.8	65.3 (59.7)	533.5 (459.0)	29.9 (26.4)	282.6 (257.7)
ENGINEERING CONTRACTORS	—	— (—)	— (—)	— (—)	—	— (—)	— (—)	—	— (—)	—	— (—)	— (—)	— (—)	— (—)
MECHANICAL ENGINEERING	7	720.5 (647.8)	40.3 (37.1)	28.6 (27.1)	+5.5	12.2 (9.2)	15.3 (16.0)	−4.4	6.9 (6.2)	+11.3	21.7 (22.0)	268.7 (265.7)	15.0 (14.0)	79.3 (74.0)
METALS AND METAL FORMING	1	70.2 (61.4)	2.7 (1.3)	1.4 (0.4)	+250.0	0.3 (—)	0.9 (0.3)	+200.0	0.2 (0.1)	+100.0	2.7 (2.0)	41.0 (43.2)	6.6 (3.0)	13.4 (12.3)
MOTORS	1	110.8 (103.9)	1.3 (1.5)	−3.2 (−3.1)	—	0.4 (—)	−5.6 (−2.9)	−24.1	0.2 (0.2)	−75.0	−0.8 (−0.1)	68.6 (70.7)	1.9 (2.1)	20.7 (21.0)
OTHER INDUSTRIAL MATERIALS	9	164.8 (192.4)	11.1 (11.5)	9.6 (9.0)	−4.4	0.6 (3.0)	6.2 (5.1)	+33.3	2.4 (2.4)	—	9.1 (7.9)	96.2 (84.5)	12.9 (13.6)	22.9 (27.2)
TOTAL CAPITAL GOODS	24	2,279.0 (2,559.3)	295.3 (243.7)	232.1 (190.3)	+22.0	97.5 (73.9)	130.3 (111.5)	+16.9	50.1 (43.7)	+14.6	136.2 (123.0)	1,383.4 (1,242.1)	21.3 (19.6)	627.9 (564.5)
BREWERS AND DISTILLERS	5	1,066.6 (967.9)	100.0 (90.9)	76.7 (66.6)	−15.2	28.0 (14.3)	46.6 (51.3)	−9.4	12.4 (18.3)	+6.0	53.9 (57.3)	741.5 (617.5)	13.5 (14.7)	134.0 (118.1)
FOOD MANUFACTURING	6	6,711.1 (5,976.6)	309.9 (272.7)	231.5 (206.2)	+12.3	63.2 (62.6)	143.5 (124.1)	+15.6	47.1 (43.3)	+8.9	186.1 (160.5)	1,900.9 (1,672.9)	17.2 (16.5)	474.0 (463.5)
FOOD RETAILING	6	3,354.2 (3,102.8)	92.3 (88.9)	94.1 (72.3)	+16.3	30.1 (19.6)	53.3 (52.2)	+2.1	22.1 (18.9)	+16.9	53.2 (57.6)	392.9 (374.9)	25.1 (22.1)	−29.6 (−10.0)
HEALTH AND HOUSEHOLD PRODUCTS	2	1,080.9 (994.1)	153.4 (104.9)	137.7 (91.9)	+49.8	54.0 (27.6)	82.6 (63.2)	+30.9	25.0 (20.0)	+25.0	83.0 (52.8)	592.0 (533.8)	25.9 (19.6)	199.6 (206.9)
LEISURE	2	109.7 (85.6)	10.5 (7.2)	9.7 (5.1)	+70.6	3.0 (1.9)	5.7 (3.1)	+83.9	1.2 (1.1)	+8.1	12.7 (10.0)	29.6 (29.0)	35.5 (25.7)	1.2 (0.2)
NEWSPAPERS, PUBLISHING	2	74.0 (65.0)	9.2 (9.1)	9.1 (9.0)	+1.1	3.8 (4.0)	5.3 (5.1)	+3.9	2.4 (2.0)	+20.0	4.4 (4.3)	23.7 (20.0)	38.8 (45.5)	7.7 (7.6)
PACKAGING AND PAPER	3	1,742.7 (1,536.6)	116.9 (98.4)	91.3 (73.0)	+25.1	10.7 (9.2)	90.4 (62.8)	+28.0	16.3 (15.1)	+7.9	100.9 (80.4)	784.9 (693.7)	14.9 (14.2)	506.9 (276.2)
STORES	6	1,000.8 (975.6)	81.0 (77.0)	70.9 (67.3)	+5.3	22.9 (12.0)	47.5 (47.8)	−0.6	18.2 (17.9)	+2.2	64.7 (52.2)	418.4 (379.1)	19.4 (20.3)	114.1 (107.6)
TEXTILES	1	29.6 (27.7)	6.2 (5.3)	6.2 (5.3)	+17.0	2.2 (2.0)	3.9 (3.3)	+12.2	1.0 (0.8)	+26.0	4.2 (3.6)	18.2 (15.4)	34.1 (34.4)	6.5 (5.2)
TOBACCOS	—	— (—)	— (—)	— (—)	—	— (—)	— (—)	—	— (—)	—	— (—)	— (—)	— (—)	— (—)
OTHER CONSUMER	3	228.6 (212.6)	12.0 (14.8)	8.2 (10.1)	−12.2	3.2 (3.7)	4.3 (6.4)	−38.8	2.0 (2.0)	—	6.5 (8.4)	87.4 (93.4)	12.6 (15.8)	39.3 (38.1)
TOTAL CONSUMER GRP	66	15,367.2 (15,844.5)	881.6 (765.1)	724.4 (606.2)	+19.4	226.3 (163.8)	473.0 (419.2)	+12.8	154.7 (139.3)	+11.1	560.1 (497.1)	4,805.5 (4,428.5)	18.2 (17.2)	1,254.3 (1,201.4)
CHEMICALS	8	66.2 (50.7)	13.2 (7.7)	12.5 (6.6)	+29.4	5.5 (2.4)	7.0 (4.2)	+66.7	1.7 (1.5)	+15.6	7.5 (4.6)	36.4 (33.5)	56.3 (25.0)	12.5 (8.7)
OFFICE EQUIPMENT	—	— (—)	— (—)	— (—)	—	— (—)	— (—)	—	— (—)	—	— (—)	— (—)	— (—)	— (—)
SHIPPING AND TRANSPORT	—	— (—)	— (—)	— (—)	—	— (—)	— (—)	—	— (—)	—	— (—)	— (—)	— (—)	— (—)
MISCELLANEOUS	6	155.1 (135.6)	18.1 (15.1)	16.1 (12.3)	+50.9	6.3 (4.8)	8.3 (7.3)	+27.4	3.8 (3.2)	−18.7	17.2 (15.4)	78.0 (65.4)	23.2 (23.1)	50.1 (26.1)
TOTAL INDUSTRIAL GRP	62	18,466.5 (16,590.1)	1,218.2 (1,029.6)	983.1 (816.0)	+20.7	532.6 (245.0)	619.6 (542.2)	+14.3	210.3 (127.7)	+12.0	721.6 (640.1)	6,405.3 (5,769.5)	19.0 (17.8)	1,824.6 (1,800.7)
OILS	1	— (—)	−0.1 (0.3)	−0.2 (0.2)	—	— (—)	−0.5 (0.2)	—	0.1 (0.1)	—	−0.3 (0.2)	11.7 (8.1)	— (5.3)	0.7 (2.7)
BANKS	—	— (—)	— (—)	— (—)	—	— (—)	— (—)	—	— (—)	—	— (—)	— (—)	— (—)	— (—)
DISCOUNT HOUSES	5	— (—)	— (—)	— (—)	—	— (—)	4.7 (12.0)	−60.8	5.6 (5.4)	+3.7	— (—)	*1,691.0 (*1,374.9)	— (—)	55.7 (44.7)
INSURANCE (LIFE)	—	— (—)	— (—)	— (—)	—	— (—)	— (—)	—	— (—)	—	— (—)	— (—)	— (—)	— (—)
INSURANCE (COMPOSITE)	—	— (—)	— (—)	— (—)	—	— (—)	— (—)	—	— (—)	—	— (—)	— (—)	— (—)	— (—)
INSURANCE BROKERS	—	— (—)	— (—)	— (—)	—	— (—)	— (—)	—	— (—)	—	— (—)	— (—)	— (—)	— (—)
MERCHANT BANKS	2	— (—)	— (—)	— (—)	—	— (—)	−12.6 (3.0)	—	0.5 (2.9)	−89.7	— (—)	*132.0 (*201.6)	— (—)	−3.1 (17.6)
PROPERTY	14	— (—)	63.1 (59.1)	44.9 (40.8)	+10.0	13.0 (11.5)	31.4 (28.4)	+10.6	13.6 (11.8)	+14.4	21.0 (18.4)	697.0 (624.1)	9.0 (9.5)	47.4 (45.2)
OTHER FINANCIAL	4	— (—)	32.8 (23.4)	56.9 (22.7)	+62.6	17.3 (10.7)	18.7 (11.8)	+58.5	8.0 (5.2)	+53.8	16.1 (9.6)	151.0 (150.6)	25.7 (18.0)	4.5 (4.1)
TOTAL FINANCIAL GROUP	25	— (—)	101.9 (22.5)	81.8 (63.5)	+28.8	30.3 (22.2)	42.2 (55.2)	−23.5	27.4 (25.3)	+8.3	36.1 (22.0)	†842.0 (†754.4)	12.0 (10.9)	104.5 (111.6)
INVESTMENT TRUSTS	15	— (—)	42.0 (37.4)	37.1 (32.3)	+14.9	15.7 (11.2)	25.1 (20.7)	+11.6	22.8 (20.2)	+11.9	0.5 (0.1)	661.2 (670.7)	4.9 (4.3)	−8.6 (8.5)
MINING FINANCE	1	1,044.2 (867.0)	102.0 (166.6)	74.4 (146.6)	−49.2	16.9 (49.0)	59.9 (97.1)	−38.3	45.8 (46.8)	—	48.8 (79.8)	219.7 (862.1)	11.8 (19.3)	83.7 (242.1)
OVERSEAS TRADERS	1	511.0 (266.8)	58.3 (36.3)	31.0 (31.0)	—	15.0 (1.3)	14.4 (28.3)	−49.1	2.1 (2.1)	—	15.3 (28.6)	144.4 (119.0)	26.5 (30.5)	52.8 (46.0)

NOTES ON COMPILATION OF THE TABLE

The classification is that of the Institute and Faculty of Actuaries, used in the daily Financial Times—Actuaries Indices.

Col. 1 gives turnover, exclusive of VAT unless otherwise indicated.

Col. 2 gives profits before interest and taxation, that is to say profits after all charges except loan and other interest but before deducting taxation provisions and minority interests.

N.B.—Certain companies, including merchant banks, discount houses, insurance and shipping companies are ... information required under the Companies Act, 1948.

Col. 3 gives Pre-tax Profits, that is to say profits after all charges including debentures and loan interest but before deducting taxation provision and minority interests.

Col. 4 groups all corporation taxation including Dominion, Colonial and Foreign liability and future tax provisions but excluding adjustments relating to previous years.

Col. 5 gives the net profits accruing on equity capital after meeting—
1—Minority interests.
2—All prior charges—sinking fund payments etc. and Preference dividends and
3—Provisions for staff and employees pensions (unless where this is a standard annual charge against net revenue.

Col. 6 sets out the net cost of dividend on equity capital.

Col. 7 is the capital generated internally over a year's trading. For the purposes of comparison equity earnings plus depreciation less equity dividends is the recognised method of computing this figure.

Col. 8 constitutes the total net capital employed. This is the total of net fixed assets—excluding intangibles such as goodwill—plus current assets less current liabilities, except bank overdrafts.

* For merchant banks and discount houses a more realistic figure to quote is the balance-sheet total.

Col. 9 represents the net return on capital employed. Col. 2 as a percentage of Col. 8 provides an indication of average profitability.

† Excluding merchant banks, discount houses and insurance (life and composite).

‡ No figures given.

Col. 10 net current assets are arrived at by the subtraction of current liabilities and provision from current assets.

WORLD STOCK MARKETS

Rise continued on Wall St

THE SPECTACULAR advance on Wall Street Thursday continued yesterday morning as Dow Industrial Average challenged the 1,100 mark.

After opening 9.91 up at 1,097.66, the DJ Average partially reacted to 1,091.80 by 1 pm, for a net rise of 4.05 on the day and 13.89 on the week. The NYSE All Common Index, at $85.45, gained 35 cents on the day and $1.16 on the week. Trading volume expanded 5.61m shares to 70.07m, compared with 1 pm Thursday.

Analysts attributed the euphoric atmosphere to expectations of declining interest rates, a more optimistic feeling among investors about economic prospects and lower inflation.

Inflation watchers were cheered yesterday by a Labour Department report showing a 1 per cent decline in U.S. Wholesale Prices in January. It was the largest one-month drop since the department started keeping records in 1947.

Technology stocks were the market leaders, with active IBM up $1 to $97½. Teledyne $3½ to $149½, Digital Equipment $2¾ to $122⅝, Honeywell $2½ to $93½, Prime Computer $1 to $43¾ and Datapoint $1 to $23½.

Blue Chips with gains included Procter and Gamble $1½ to $112¾, United Technologies $1 to $63½, Minnesota Mining $1½ to $79½ and American Express $1¾ to $51½.

General Instrument climbed $2½ to $63—Thursday the company introduced a voice recognition microchip.

ATT lost $¼ to $68⅝ in active trading—published reports noted that nearly 50 anti trust law suits have been filed against the company charging anti competitive behaviour. Last week, an Appeals Court upheld a jury verdict against ATT that awarded Litton Industries $276.8m in damages.

THE AMERICAN SE Market Value Index rose 2.02 to 378.08, making a rise of 12.12 on the week. Turnover 7.19m (5.38m) shares.

Commodore Corp. fell $1 to $8 in heavy trading after reporting a fiscal second quarter loss.

Canada

Stocks were up sharply at mid-session, with the Toronto Composite Index rising 16.6 to 2,126.8.

With the exception of Pipelines, strong gains were recorded across the board. Increases in Golds, Oils, Metals and Real Estates paced markets.

Pan-Canadian Petroleum were halted in late morning at $87½ for the dissemination of the news that it is seeking shareholder approval for a four-for-one stock split.

Switzerland

Domestic shares higher across the board, with Industrials and Financials leading the advance.

Among Industrials, BBC added SwFr 30 at 1,020.

In Financials, Adla Bearer rose SwFr 90 to 1,500. Sika put on SwFr 180 at 2,650 in a very narrow market.

Insurances were slightly higher, while Banks were neglected.

The Swiss Bond Market closed mostly steady, with sentiment helped by interest rate considerations and the softer dollar.

Among Foreign shares, Dollar stocks were above overnight New York levels, with Gold shares benefiting from the higher gold price. Dutch Internationals and Germans were firm.

Johannesburg

Golds were very firm on strong demand towards the close as the bullion price advanced to US$505.

"Heavyweights" gained up to R5.50, as in Vaal Reefs at R142.50, while among "cheaper" issues, Welkom rose R1.10 to R18.35 and Modderfontein 80 cents to R6.80.

Other Mining related shares showed gains, while Industrial gains outnumbered losses by more than three-to-one.

Milan

Sharply higher in very active trading.

Heavy demand took many issues to their peak quotations in months, sweeping away pre-weekend profit-taking which emerged in the initial stages. Volume was estimated to have exceeded the 40m shares total registered Thursday, for a value of about L42bn.

The forthcoming Settlements, scheduled Tuesday, did not hamper the board rise of all sectors.

Centrale, climbed L140 to 2,540 on rumours that a stake of the holding company would be taken over by Uovo Banco Ambrosiano at a price well above maket quotations.

Hong Kong

Higher but off best levels in active trading in the half day session ahead of the Chinese New Year. Local profit-taking was noted around mid-morning.

The Hang Seng Index closed 15.89 higher at 931.40.

In selective business, buying was seen for Banking and Trading shares. Hang Seng Bank rose $HK 1.50 to 51.50 and Hutchison Whampoa 40 cents to $HK 13.10.

Singapore

Higher in active but selective trading.

The Straits Times Industrial Index rose 10.47 to 798.60. Volume 17.4m shares, with 42 rising issues, 10 lower, and 132 unchanged.

The market will remain closed until next Wednesday, following the celebration of the Lunar New Year.

Motor issue UMW led the market in volume, and rose 12 cents to S$3.20.

There wasn't much movement for most Banking shares, although Malayan were 10 cents higher at S$6.80.

Shipyards were mostly unchanged.

Property counters were higher.

Paris

Slightly higher in moderate trading following Wall Street's overnight gains.

News of a provisional 0.7 per cent fourth quarter rise in French Gross Domestic Product, after a 0.5 per cent third quarter rise, had little impact on sentiment.

Air Liquide fell FFr 4 to 408.5, despite higher 1982 net turnover.

In higher Foods, Pernod-Ricard put on FFr 4 to 414 on improved 1982 consolidated turnover.

Banks, Financials, Motors, Constructions, Rubbers, Electricals and Oils were firm, while Engineerings, Metals and Chemicals were mixed.

In the Foreign sector, Americans, Germans, Dutch, Oils, Gold Mines and Coppers were firm, but Japanese eased.

Germany

Share prices took the lead of Wall Street and, encouraged by Foreign buyers, moved broadly higher in active trading.

The Commerzbank Index of 60 leading shares hit 779.1, the highest level in nearly four years and well up on Thursday's 772.7.

Some dealers said speculation about a realignment of the European Monetary System after the French and German elections next month also brought in buyers.

Fears the Conservatives might lose power here have gradually dispelled this week, and markets were helped by the Bundesbank's optimistic assessment of the German economy.

In Motors, Daimler moved up DM 4.50 to DM 398.50, VW DM 1.80 to DM 158 and BMW DM 6.9 to DM 249.10.

Australia

Firmer across a broad front in heavy trading, featuring sharp gains among Heavyweight Mines with gold interests in response to gold breaking through the U.S.$500 barrier in New York.

The All Ordinaries Index rose 6.8 to 508.2, aided by a 10.1 advance in the Resources Index to 397.3 and 2.8 rise in the Industrial Marker to 645.8.

Among leading Gold issues, GMK rose A$1.30 to 12.50, Central Norseman 70 cents to A$10, Poseidon 60 cents to A$6.40 and Emperor 10 cents to A$2.40.

Speculative Golds had Balmorat Resources up 8 cents to 34 cents, Pan D'Or Mining 4 cents to 27 cents and Golden Valley Mines 4 cents to 27 cents.

Closing prices for North America were not available for this edition.

NEW YORK

CANADA

DENMARK

FRANCE

GERMANY

AUSTRIA

BELGIUM/LUXEMBOURG

HOLLAND

ITALY

NORWAY

SPAIN

SWEDEN

SWITZERLAND

AUSTRALIA

HONG KONG

JAPAN

SINGAPORE

SOUTH AFRICA

Indices

NEW YORK — DOW JONES

STANDARD AND POORS

N.Y.S.E. ALL COMMON

MONTREAL

NEW YORK ACTIVE STOCKS

CURRENCIES; MONEY and CAPITAL MARKETS

FOREIGN EXCHANGES

Dollar weaker

The dollar lost ground in rather featureless pre-weekend trading yesterday. Early profit taking accounted for some of the fall while political developments in West Germany prompted further switching into the D-mark. Market attitudes remained unchanged with most people looking for a fall in U.S. interest rates. The dollar fell to DM 2.4025 against the D-mark compared with Thursday's close of DM 2.4115 and was lower in terms of the Swiss franc at SwFr 2.0025 from SwFr 2.0110. In terms of the yen it slipped to Y234.25 from Y235.10 and FFr 6.8125 from FFr 6.8330. On Bank of England figures its trade weighted index fell to 119.1 from 119.5.

Sterling was slightly easier overall. Its trade weighted index slipped to 80.9 from 81.0, having stood at 80.9 at noon and 81.0 in the morning. It opened at $1.5500 against the dollar and touched $1.5535 on early dollar weakness before coming back to close at $1.5445-1.5455, unchanged from Thursday's close. Against the D-mark it fell to DM 3.7125 from DM 3.7275 and SwFr 3.0925 from SwFr 3.1100. It was also lower against the Japanese yen at Y362 from Y363½ and FFr 10.5250 compared with FFr 10.5550.

The resurgence of the D-mark put renewed pressure on the weaker members of the European Monetary System, notably the French and Belgian francs, with the usual pre-weekend switching out of these currencies to guard against a possible re-alignment over the weekend.

EMS EUROPEAN CURRENCY UNIT RATES

	ECU central rates	Currency amounts against ECU February 11	% change from central rate	% change adjusted for divergence	Divergence limit %
Belgian Franc ...	44.9704	45.0895	+0.29	+1.66	±1.5501
Danish Krone ...	8.23400	8.09906	−1.64	−0.27	±1.6430
German D-Mark	2.33379	2.29021	−1.87	−0.50	±1.0883
French Franc ...	6.61387	6.49210	−1.84	−0.47	±1.3940
Dutch Guilder ...	2.57971	2.53094	−1.89	−0.52	±1.5004
Irish Punt	0.691011	0.689551	−0.21	+1.15	±1.6891
Italian Lira	1350.27	1312.13	−2.31	−1.50	±4.1369

Changes are for ECU, therefore positive change denotes a weak currency. Adjustment calculated by Financial Times.

THE POUND SPOT AND FORWARD

Feb 11	Day's spread	Close	One month	% p.a.	Three months	% p.a.
U.S.	1.5420-1.5525	1.5445-1.5455	0.32-0.27c pm	2.29	0.73-0.68 pm	1.82
Canada	1.8910-1.9000	1.8920-1.8930	0.32-0.22c pm	1.71	0.78-0.68 pm	1.54
Nethlnd.	4.09-4.12	4.09⅞-4.10⅞	2¼-1¾c pm	6.85	6⅞-5⅞ pm	6.97
Belgium	73.00-73.30	73.05-73.15	5-15c dis	−1.64	45-55 dis	−2.73
Denmark	13.09-13.15	13.09¼-13.10¼	5⅝-6⅞ore dis	−5.73	23-24½ dis	−7.25
Ireland	1.1175-1.1210	1.1185-1.1195	0.40-0.53p dis	−4.99	1.31-1.51dis	−5.04
W. Ger.	3.70-3.73	3.70½-3.71½	1⅞-1⅜pf pm	5.25	5⅜-4⅝ pm	0.25
Portugal	140.00-143.00	140.50-142.50	600-1460c dis	−87.35	880-2440dis	−46.92
Spain	198.00-199.00	198.20-198.40	145-215c dis	−10.89	350-485 dis	−8.42
Italy	2135-2145	2137-2139	15½-18½ lire dis	−6.54	60-64 dis	−11.60
Norway	10.86-10.92	10.87¼-10.88¼	1¾-2¾ore dis	−2.48	8½-9½ dis	−3.33
France	10.51-10.55	10.52-10.53	7-9c dis	−2.12	30½-33½dis	−12.16
Sweden	11.39-11.44	11.40-11.41	½ore pm-1 dis	−0.46	1-1⅞ dis	−0.50
Japan	380-385	381½-382½	1.45-1.25y pm	4.47	3.90-3.70 pm	4.20
Austria	26.00-26.20	26.07-26.12	11¾-9¾gro pm	4.94	33¾-28¾ pm	4.79
Switz.	3.08-3.11	3.08¾-3.09¾	2⅞-1⅞c pm	8.24	6⅞-5⅞ pm	7.92

Belgian rate is for convertible francs. Financial franc 75.85-75.95. Six-month forward dollar 1.10-1.05c pm. 12-month 1.40-1.30c pm.

THE DOLLAR SPOT AND FORWARD

Feb 11	Day's spread	Close	One month	% p.a.	Three months	% p.a.
UK†	1.5420-1.5525	1.5445-1.5455	0.32-0.27c pm	2.29	0.73-0.68 pm	1.82
Ireland†	1.3790-1.3835	1.3790-1.3805	0.90-0.80c pm	7.38	2.43-2.23 pm	6.74
Canada	1.2245-1.2280	1.2245-1.2255	0.04-0.07c dis	−0.54	0.09-0.12dis	−0.34
Nethlnd.	2.6495-2.6565	2.6525-2.6545	0.84-0.79c pm	3.68	2.78-2.73 pm	4.15
Belgium	47.25-47.38	47.29-47.31	18-20c dis	−4.82	58-62 dis	−6.08
Denmark	8.4750-8.5300	8.4930-8.4980	4-5ore dis	−6.36	14-15 dis	−6.83
W. Ger.	2.3925-2.4065	2.4020-2.4030	0.62-0.57pf pm	2.97	2.04-1.99 pm	3.35
Portugal	91.00-93.00	91.00-93.00	350-850c dis	−78.47	650-1550dis	−45.78
Spain	128.20-128.50	128.20-128.40	110-150c dis	−12.16	330-380dis	−11.06
Italy	1382½-1386¾	1383½-1384½	13-14½ lire dis	−11.93	45-49 dis	−13.73
Norway	7.0430-7.0800	7.0475-7.0525	2.20-3.20ore dis	−4.60	8.30-9.30dis	−5.00
France	6.7975-6.8175	6.8100-6.8150	6-7c dis	−11.45	22¼-24¼dis	−13.65
Sweden	7.3770-7.3880	7.3780-7.3880	1.60-2.10ore dis	−3.01	4.20-4.70dis	−2.41
Japan	233.70-235.35	234.20-234.30	0.45-0.38y pm	2.12	1.45-1.35 pm	2.39
Austria	16.85-16.92	16.87-16.88	4¼-3½gro pm	2.75	14-11½ pm	3.02
Switz.	1.9940-2.0070	2.0020-2.0030	1.01-0.96c pm	5.90	3.09-3.04 pm	0.12

† UK and Ireland are quoted in U.S. currency. Forward premiums and discounts apply to the U.S. dollar and not to the individual currency. Belgian rate is for convertible francs. Financial franc 49.07-49.17.

EXCHANGE CROSS RATES

Feb. 10	Pound St'rling	U.S. Dollar	Deutschem'k	Japanese Yen	French Franc	Swiss Franc	Dutch Guild'	Italian Lira	Canada Dollar	Belgian Franc
Pound Sterling	1	1.545	3.713	368.0	10.526	3.083	4.100	2158.	1.885	75.10
U.S. Dollar	0.647	1.	9.405	234.3	6.818	2.002	9.654	1384.	1.225	47.31
Deutschemark	0.269	0.416	1.	27.51	2.836	0.833	1.104	575.9	0.610	18.68
Japanese Yen 1,000	2.762	4.268	10.26	1000.	62.07	8.545	11.53	5806.	5.996	201.9
French Franc 10	0.950	1.468	3.527	345.9	10.	9.938	5.895	2031.	1.788	89.45
Swiss Franc	0.323	0.500	1.200	117.1	3.405	1.	1.366	691.4	0.612	25.64
Dutch Guilder	0.244	0.377	0.905	88.69	2.567	0.754	1.	521.5	0.482	17.83
Italian Lira 1,000	0.468	0.723	1.756	156.3	4.965	1.446	1.918	1000.	0.665	34.18
Canadian Dollar	0.528	0.816	1.962	191.3	6.561	1.634	6.166	1160.	1.	38.63
Belgian Franc 100	1.368	2.114	5.079	495.2	14.40	4.251	6.606	9985.	8.582	100.

MONEY MARKETS

Further shortage

UK clearing bank base lending rate 11 per cent (since January 12 and 13)

Day to day credit was in short supply in the London money market yesterday. The Bank of England forecast a shortage of around £750m, later revised to £800m, with factors affecting the market including bills maturing in official hands and a net take up of Treasury bills −£315m and Exchequer transactions −£140m. There was also a rise in the note circulation of £230m. The Bank gave assistance in the morning of £703m comprising purchases of £19m of eligible bank bills in band 1 (up to 14 days) at 11 per cent and £75m in band 2 (15-33 days) at 11 per cent. It also arranged sale and repurchase agreements on £609m of bills at 11-11 1/32 per cent, unwinding on March 17.

Further assistance in the afternoon amounted to £51m, bringing the day's total to £754m. The afternoon help comprised purchases of £25m of eligible bank bills in band 1 and £26m in band 2, all at 11 per cent. In the inter-bank market weekend money opened at 11¾-11½ per cent and rose on the forecast to 11¾ per cent. However rates settled later to around 11½ per cent before falling away in the afternoon to 5 per cent.

Longer term rates were a little easier where changed with dealers noting a fall in the weekly Treasury bill tender rate to 10.6042 per cent from 10.8756 per cent the previous week.

LONDON MONEY RATES

Feb. 11 1983	Sterling Certificate of deposit	Interbank	Local Authority deposits	Local Auth. negotiable bonds	Finance House Deposits	Discount Company Deposits	Discount Market Deposits	Treasury Bills	Eligible Bank Bills	Fine Trade Bills
Overnight	—	6-11¾	—	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
2 days notice	—	—	11⅛-11½	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
7 days or	—	—	—	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
7 days notice	—	11¼-11½	11⅛-11½	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
One month	11⅛-11¼	11 3/16-11 1/16	11 1/16-11¼	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Two months	11 1/16-11 1/16	11⅛-11¼	11⅛-11½	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Three months	11 1/16-10 15/16	11 1/16-11 1/16	11-11¼	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Six months	10 11/16-10 9/16	10¾-10 9/16	10⅞-11	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Nine months	10⅝-10 9/16	10¾-10 9/16	—	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
One year	10⅝-10 9/16	10¾-10 9/16	10⅞	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Two years	—	—	11	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

ECGD Fixed Rate Export Finance Scheme IV Average Rate for interest period January 5 to February 1 1983 (inclusive) 11.327 per cent.

Local authorities and finance houses seven days' notice, others seven days fixed. Long-term local authority mortgage rates nominally three years 11¾-11½ per cent; four years 11¾-11½ per cent; five years 11½-11¾ per cent. Bank bill rates in table are buying rates for prime paper. Buying rate for four month bank bills 10 9/16-10½ per cent; four months trade bills 11 3/16 per cent.

Approximate selling rate for one month Treasury bills 10 11/16 per cent; two months 10½-10 9/32 per cent and three months 10½-10½ per cent. Approximate selling rate for one month bank bills 10 31/32-11 per cent; two months 10 25/32-10 23/32 per cent and three months 10 11/32-10 21/32 per cent; trade bills 11 3/16 per cent; two months 11 3/32 per cent and three months 11 3/32 per cent.

Finance Houses Base Rates (published by the Finance Houses Association) 11 per cent from February 1 1983. London and Scottish Clearing Bank Rates for lending 11 per cent. London Deposit Rates for sums at seven days notice 9 per cent.

Treasury Bills: Average tender rate of discount 10.6042 per cent. Certificates of Tax Deposit (Series 6). Deposits of £100,000 and over held under one month 11¼ per cent; one-six-month 11¼ per cent; six-12-month 11 per cent. Under £100,000 10¾ per cent from February 2. Deposits held under Series 3-5 11 per cent. The rate for all deposits withdrawn for cash 8½ per cent.

OTHER CURRENCIES

Feb. 11	£	$		£ Note Rates
Argentina Peso...	87,114-87,154	56,300-56,350	Austria	26.00-26.30
Australia Dollar...	1.5920-1.5940	1.0896-1.0500	Belgium	75.65-76.65
Brazil Cruzeiro...	440.57-441.67	885.11-286.54	Denmark	15.09-15.82
Finland Markka...	8.2690-8.2750	5.5490-5.5510	France	10.49-10.59
Greek Drachma...	126.636-126.888	82.50-82.80	Germany	3.70-3.74
Hong Kong Dollar	10.18¼-10.00¾	6.5960-6.6000	Italy	9110-2155
Iran Rial	169.50*	84.65*	Japan	562-366
Kuwait Dinar (KD)	0.448-0.450	0.29065-0.29085	Netherlands	4.08½-4.12½
Luxembourg Fr..	75.05-75.15	47.29-47.51	Norway	10.86-10.86
Malaysia Dollar..	5.4950-5.5050	3.2680-3.9650	Portugal	140-155
New Zealand Dlr.	[illegible]	[illegible]	Spain	[illegible]
Saudi Arab. Riyal	5.3155-5.5210	3.4585-3.4410	Sweden	11.37-11.47
Singapore Dollar	5.1075-5.1975	2.0650-2.0660	Switzerland	3.08¾-3.12¾
Sth. African Rand	1.7250-1.7865	1.1165-1.1175	United States	1.53½-1.55½
U.A.E. Dirham	5.6735-5.6805	3.6710-3.6730	Yugoslavia	113-118

*Selling rates.

INTEREST RATES

EURO-CURRENCY INTEREST RATES (Market closing rates)

Feb. 11	Short term	7 days notice	Month	Three Months	Six Months	One Year
Sterling	11¾-11½	11½-11½	11[illegible]	11 1[illegible]	10 -10[illegible]	[illegible]
U.S. Dollar	8⅝-8⅞	8⅝-8⅞	8[illegible]-9¼	9 9½	[illegible]	[illegible]
Can. Dollar	7½-8½	8 9	9¼ 9½	[illegible]	[illegible]	[illegible]
D. Guilder	4½-5⅛	4½-5⅛	[illegible]	[illegible]	[illegible]	[illegible]
S. Franc	¾-1	1-1½	[illegible]	[illegible]	[illegible]	[illegible]
Deutschm'rk	6½-5⅝	5½-5⅝	[illegible]	[illegible]	[illegible]	[illegible]
Fr'nch Franc	12½-15½	15-16	20½-22	22½-24	21-22½	[illegible]
Italian Lira	15½-18	18½-20½	20½-22½	22½-23½	22-22½	[illegible]
Belg. Franc						
Conv.	11¾-18¾	12¾-13¼	15¼-14¼	[illegible]	14-14½	[illegible]
Fin.	12-12½	12-12¼	12⅛-12⅝	12⅛-12½	[illegible]	[illegible]
Yen	5⅞-6⅛	6¼-6⅝	[illegible]	[illegible]	[illegible]	[illegible]
D. Krone	15½-14	14-14½	17 17½	18¼-18½	18 18½	[illegible]
Asia $ (Sing.)	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.

FT LONDON INTERBANK FIXING

(11.00 a.m. FEBRUARY 11)

3 months U.S. dollars		6 months U.S. dollars	
bid 9 1/16	offer 9 5/16	bid 9 5/16	offer 9 7/16

The fixing rates are the arithmetic means, rounded to the nearest one-sixteenth, of the bid and offered rates for $10m quoted by the market to five reference banks at 11 am each working day. The banks are National Westminster Bank, Bank of Tokyo, Deutsche Bank, Banque Nationale de Paris and Morgan Guaranty Trust.

COMMODITIES AND AGRICULTURE

WEEKLY PRICE CHANGES

[illegible]

‡ Unquoted. (g) Madagascar. (x) April. (y) March. (z) May. (w) February-March. * Nominal. § Ghana cocoa.

REVIEW OF THE WEEK

Gold market rally boosts copper

BY OUR COMMODITIES STAFF

THE RECOVERY in the gold price, back through $500 after dipping close to $490 an ounce at one stage, brought a sharp rally in the copper market too yesterday. High grade cash copper gained £16.5 to £1063.5 a tonne, £4 up on a week ago.

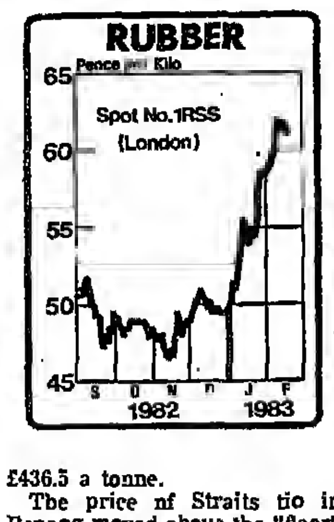
Earlier in the week it looked as if the market was heading steeply downwards. But when New York prices suddenly rose, instead of falling as expected, London values quickly firmed.

So far there is no confirmation of significant consumer buying interest developing. Copper stocks rose last week for the 18th week in succession to the highest level for nearly four years.

Stocks of aluminium in the LME warehouses also rose. But the market was encouraged yesterday by International Primary Aluminium Institute figures showing a further decline in world stocks to below 3m tonnes at end January. The aluminium cash price ended the week £22.5 up at £781 a tonne.

In a surprise move Noranda of Canada this week announced a cut in its European zinc producer price of $50 to $750 a tonne. This was quickly followed by other producers.

Reason for the producers' decision was that the gap between the LME zinc sterling-based quotation, and the producers' dollar price, had widened too much. Since consumer demand remains poor, the producers had to reduce their prices to more "realistic" levels. The LME cash zinc price ended the week £6.25 down at £436.5 a tonne.



The price of Straits tin in Penang moved above the "floor" level (M$29.15 a kilo) of the International Tin Agreement for the first time since November this week.

This follows the success of the International Tin Council buffer stock in pushing London values into line with Penang. There was little change in London tin prices this week.

Natural rubber rose to an 18-month peak in London when the No 1 RSS spot price reached 62p a kilo. It subsequently fell back to 61p, still 1.25p higher than a week ago. Both trade and speculative buying have fuelled the increase.

Cocoa values lost ground initially this week, following selling by producers at the higher levels and reports of only minor damage to West African crops from bush fires. However, the market rallied strongly yesterday on renewed speculative buying interest.

No exports of EEC sugar were authorised this week, because for the first time ever the management committee at the weekly selling tender refused to accept the Commission's recommendation of the quantity (41,000 tonnes) to be sold. There was apparently a feeling that a greater amount could be exported without hurting the market. In any event this helped firm world sugar prices: the London daily price for raw sugar ended the week £4 up at £111 a tonne.

BASE METALS

Amalgamated Metal Trading reported that in the morning cash Higher Grade traded at £1094, 93.50, 94, 93, 94, 93.50, 94, 94.50, 95, 96, 96.50, 96, 95.50, 96. Cathodes: Cash £1040, three months £1070. Kerb: Higher Grade: Three months £1096, 97, 97.50, 98. Afternoon: Higher Grade: Three months £1093, 93.50, 94, 94.90, 95, 94.50, 93.50, 94, 93.50, 94.50, 95. Kerb: Higher Grade: Three months £1095, 96, 95.50, 95. [illegible]

£451.50, 51, 50.50. Kerb: Three months £450, 51. Turnover: 7,650 tonnes.

ALUMINIUM

Aluminm	a.m. Official	+ or −	p.m. Unofficial	+ or −†
	£	£	£	£
Spot	784-5	+36.5	780.5-1.5	+15
3 months	808-.5	+30	805-6	+12.2

COPPER

[illegible]

NICKEL

[illegible]

SILVER

[illegible]

TIN

[illegible]

LEAD

[illegible]

ZINC

[illegible]

COFFEE

[illegible]

COCOA

[illegible]

GRAINS

[illegible]

HGCA—Locational ex-farm spot prices. Feed barley: N. East 115.70, Scotland 116.10. The UK monetary coefficient for the week beginning Monday February 14 is expected to remain unchanged.

WHEAT			BARLEY	
Mnth	Yesterd'ys close	+ or −	Yest'rd'ys close	+ or −
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

POTATOES

[illegible]

RUBBER

[illegible]

SOYABEAN MEAL

[illegible]

SUGAR

[illegible]

WOOL FUTURES

[illegible]

COTTON

[illegible]

INDICES

FINANCIAL TIMES

Feb. 10	Feb. 9	M'th ago	Y'ar ago
256.41	254.99	248.90	249.55

(Base: July 1 1952=100)

REUTERS

Feb. 11	Feb. 10	M'th ago	Y'ar ago
[illegible]	[illegible]	[illegible]	[illegible]

MOODY'S

[illegible]

DOW JONES

[illegible]

LONDON OIL SPOT PRICES

	Latest	Change + or −
CRUDE OIL—FOB ($ per barrel)		
Arabian Light	28.50-29.75	−0.85
Iranian Light	27.00-28.00	−0.17
Arabian Heavy	27.50-27.80	−0.22
North Sea (Forties)	28.00-29.18	+0.12
North Sea (Brent)	29.16	+0.45
African (Bonny Li'ht)	28.80-29.08	+0.03
PRODUCTS—North West Europe CIF ($ per tonne)		
Premium gasoline	267-276	+1.5
Gas oil	243-249	−0.5
Heavy fuel oil	148-154	+2.0

GAS OIL FUTURES

A very quiet end to a lacklustre week's trading saw prices edge higher owing to some physical demand resulting from a weaker dollar and colder weather, reports Premier Man.

Turnover: 804 (2,002) lots of 100 tonnes.

Month	Yest'day's close	+ or −	Business Done
	$ U.S. per tonne		
Feb	247.25	+1.00	248.50-47.00
March	241.00	+1.50	242.50-39.50
April	235.25	+0.50	236.50-34.75
May	233.25	+0.50	234.50-33.00
June	232.75	+0.25	234.50-32.75
July	235.00	+3.00	236.50
Aug	236.50	+3.00	—
Sept	240.00	+3.50	240.00
Oct	241.50	+2.50	—

GOLD MARKETS

Gold rose $7 an ounce from Thursday's close in the London bullion market yesterday to finish at $502½-503½. It opened at $506-507 and touched a high of $507½-508½ before easing in the afternoon on lack of follow through in New York. The firmer trend was attributed to a further decline in U.S. interest rates and the dollar.

LONDON FUTURES

Month	Yest'rday's close	+ or −	Business Done
	$ per troy ounce		
February	501.00-5.00	+4.500	—
March	504.70-5.00	+4.250	508.00-07.5
April	508.70-9.00	+5.550	516.50-09.0
May	518.00-5.00	+5.900	—
June	516.50-6.80	+5.150	521.50-16.0
July	520.70-0.80	+5.350	—
August	524.70-4.80	+5.500	—

Turnover: 547 (700) lots of 100 troy ounces.

	Feb. 11		Feb. 10	
Gold Bullion (fine ounce)				
Close	$502½-503½	(£325-325¾)	$495½-496½	(£321-321¾)
Opening	$506-507	(£326¾-327½)	$493-494	(£317¾-318½)
Morning fixing	$506	(£327.885)	$494.75	(£312.606)
Afternoon fixing	$504.50	(£326.904)	$496	(£361.556)

Gold Coins Feb. 11					
Krugrnd	$517-518	(£334¾-335½)	King Sov	$116½-118½	(£75¼-76½)
½ Krug	$266½-267½	(£172¾-173¼)	Victoria Sov	$116½-118½	(£76¼-76½)
¼ Krug	$136-137	(£88-88¾)	French 20s	$104-106	(£67¼-68¾)
1/10 Krug	$55½-56½	(£35¾-36½)	50 pesos Mex	$602-605	(£380½-301½)
Mapleleaf	$516½-517	(£333¾-334¾)	100 Cor. Aust	$487-421	(£315½-318)
New Sov	$118½-119¼	(£76¾-77¼)	$20 Eagles	$606-615	(£391½-398½)
½ New Sov	$70-72	(£45¼-46½)			

AMERICAN MARKETS

NEW YORK, February 11

Precious metals rallied towards the close after being lower most of the day on expectations of further easing by the Fed. Copper prices finished stronger on good support generated by a strong tone in precious metals; arbitrage selling put a limit on the gains. Sugar prices closed higher on the prospect of tightness on the March delivery followed late in the day by good-size speculative short-covering. Heating oil prices rallied on forecasts of a major winter storm affecting the entire east coast; the market also attracted technical buying on the assumption that prices are consolidating ahead of a major upmove, reported Heinold commodities.

NEW YORK

COCOA 10 tonnes, $/tonnes

	Close	High	Low	Prev
March	1863	1904	1850	1874
May	1927	1956	1910	1921
July	1948	1980	1940	1946
Sept	1954	1987	1950	1955
Dec	1978	2010	1975	1982
March	2015	2015	2015	2007

COFFEE "C" 37,000 lb, cents/lb

	Close	High	Low	Prev
March	126.23	126.10	124.35	125.67
May	120.77	121.60	120.40	121.20
July	119.50	120.00	119.00	119.65
Sept	117.76	118.00	117.60	117.75
Dec	114.76	115.50	114.75	114.78
March	112.23	112.30	112.25	112.13
May	[illegible]	[illegible]	[illegible]	[illegible]
July	[illegible]	[illegible]	[illegible]	[illegible]

COPPER 25,000 lb, cents/lb

[illegible]

COTTON 50,000 lb, cents/lb

[illegible]

GOLD 100 troy oz, $/troy oz

[illegible]

HEATING OIL 42,000 U.S. gallons, cents/U.S. gallons

[illegible]

ORANGE JUICE 15,000 lb, cents/lb

[illegible]

PLATINUM 50 troy oz, $/troy oz

[illegible]

SILVER 5,000 troy oz, cents/troy oz

[illegible]

SUGAR WORLD "11" 112,000 lb, cents/lb

	Close	High	Low	Prev
March	7.01	7.02	6.93	[illegible]
May	7.29	7.30	7.03	[illegible]
July	7.64	7.65	7.41	[illegible]
Sept	7.99	7.99	7.75	[illegible]
Oct	7.23	8.25	8.00	[illegible]
March	9.29	9.30	6.02	[illegible]
May	6.50	9.50	9.22	[illegible]
July	9.70	—	—	[illegible]

CHICAGO

LIVE CATTLE 40,000 lb, cents/lb

	Close	High	Low	Prev
Feb	63.02	63.20	62.75	[illegible]

LIVE HOGS 30,000 lb, cents/lb

[illegible]

MAIZE 5,000 bu min, cents/56-lb bushel

[illegible]

PORK BELLIES 38,000 lb, cents/lb

[illegible]

SOYABEANS 5,000 bu min, cents/60-lb bushel

[illegible]

SOYABEAN MEAL 100 tons, $/ton

[illegible]

SOYABEAN OIL 60,000 lb, cents/lb

[illegible]

WHEAT 5,000 bu min, cents/60-lb bushel

[illegible]

SPOT PRICES—Chicago loose lard [illegible] cents per pound. Handy & Harman bullion silver [illegible] cents per troy ounce. New York [illegible] cents per pound.

STOCK EXCHANGE DEALINGS

Details of business done shown below have been taken with consent from last Thursday's Stock Exchange Official List and should not be reproduced without permission.

Details relate to those securities not included in the FT Share Information Services.

Unless otherwise indicated, denominations are 25p and prices are in pence. The prices are those at which business was done in the 24 hours up to 3.30 pm on Thursday and settled through the Stock Exchange Talisman system; they are not in order of execution but in ascending order which denotes the day's highest and lowest dealing prices.

For those securities in which no business was recorded in Thursday's Official List the latest recorded business in the five previous days is given with the relevant date.

‡Bargains at special prices. ◊Bargains done the previous day. ΔBargains done with non-member or executed in overseas markets.

CORPORATION & COUNTY

UK PUBLIC BOARDS

COMMONWEALTH GOVT.

COMMONWEALTH CORPN.

FOREIGN STOCKS (coupons payable London)

CORPORATIONS—FOREIGN

BANKS, DISCOUNT

BREWERIES

COMMERCIAL INDUSTRIAL

A—B

Boots 8pcLn 1976-83 £98¼ (7/2). 7¼pcLn 1988-93 £76 8
Boulton and Paul 5½pcPf (£1) 42 (9/2)
Boulton (William) Gp 8½pcLn 1987-92 £40 (7/2)
Bowater Corp 5½pcPf (£1) 46½◊. 7pcLn 1992-97 £51◊
Bowater Newfoundland 4½pcPf (£1) 35 £61◊
Bowthorpe Hldgs 7pcLn 1990-95 £55½ 6 (9/2)

C—D

E—F

Forward Technology Indust 8pcLn 1988/90 £57 (4/2)
Foseco Minsep 4½pcPf (£1) 48. 8¼pc2nd Pf 33 (9/2). 10pcLn 1990/95 £91 (9/2)
Francis Parker 7½pcLn 1985/86 £75½
Futura Hldgs 155 (8/2)

G—H

Gaunt (R.) 66
General Electric 6pcLn 1979/84 £90½. 7¼pcLn 1987/92 £73 ¼. 7½pcLn 1988 95 £73 ½. Fltg Rate 1986 £99½
General Elec Overs Capital Corp 5½pcLn 1985-95 £158
General Motors Corp 7¾pcLn 1987/92 £70½ (7/2)
Gestetner Hldgs 56. A NV 31.1pcCnv Ln 1990-95 £72
GB Papers 18½
GEC-Elliott Automation 8½pcDb 1981/86 £88 7½
GEI Intnl 10pcLn 1987/92 £83
Garford-Lilley Industries (5p) 23½ (8/2)
Gaskell Broadloom 5pcPf (£1) 32½ (8/2)

I—J—K

L—M

N—O—P

North (James) 7½pcLn 1987-92 £65½ (8/2)
Northern Engineering Inds 3pcPf (£1) 32. 8.25pcPf (£1) 9) 2 (9/2). 7¾pcDb 1988-1991 £75 (8/2). 7pcLn 2000-05 £60 (7/2). 6½pcLn 1988-93 £72 (9/2). 9pcLn 1990-95 £78¾ 7 (7/2)
Horton (W.E.) (Hldgs) 11pcPf (£1) 165 8 (7/2)
Nova (Jersey) Knit 7pcLn 1985 £70 (8/2)
O.K. Bazaars (1929) 8pc1stPf (R2) 36
Ocenna Consolidated 83 (8/2)
Oliver (George) (Footwear) 240 (8/2)
Olympia (Redacre) (20p) 38 (8/2)
Osborn (Samuel) 7¾pcDb 1993-98 £76½ ½ (4/2)
Parker-Knoll 223 (8/2). 9pcDb 1989-94 £72 (9/2)

Q—R—S

T—U—V

Unilever NV 4pcPf (Fl 12) 20 (9/2). 7pcPf (Fl 12) 50
Union Intnl 8pcPf (£1) 45. 7pcPf (£1) 51
Union Steel Corpn (of South Africa) (R0.50) 50 (7/2)
Uniroyal 4¼pcDb £28 (7/2)
United Biscuits (Hldgs) 8pcDb 1993-98 £71 (7/2)
United Gas Inds 9pcLn 1983-86 £91. 10½pcLn 1998-2003 £80½ 3
United Newspapers 8pcPf (£1) 44 (9/2)
Upton (E.) 26 (9/2)
Utiao Hldgs (R1) 207 (9/2). 8½pc2ndPf (R2) 20

W—Y—Z

Vinior 5½pcPf (£1) 111
Vantona Grp 4.9pcPf (£1) 49
Vickers 5pcPf (£1) 53 (8/2). 5pc (Tax Free) Pf (£1) 52
Victoria Carpet Hldgs 19 20½
Waddington (John) 8pcPf (£1) 50
Wadham Stringer 7¼pc1stDb 1987-92 £74½ 5½ (7/2)
Walker and Staff Hldgs (5p) 3t 3 (4/2)

FINANCIAL TRUSTS

INSURANCE

INVESTMENT TRUSTS

MINES—MISCELLANEOUS

MINES—SOUTH AFRICAN

Coronation Syndicate (R0.25) 105 10
East Rand Propy. 517◊
Eastern Transvaal Consd (R0.50) £14 ¼ (8/2)
New Kleinfontein Props. (R0.25) 150 (8/2)
Trans-Natal Coal Corpn (R0.50) 540 (9/2)
Western Deep Levels £17.8 (9/2). 12pc Dbs 1986-93 (R1) 49

OIL

British Petroleum 9pc2ndPf (£1) 79 ½
Bridoil 110◊ £0.44 (4/2)

PROPERTY

PLANTATIONS

RAILWAYS

SHIPPING

UTILITIES

WATER WORKS

Wessex Water 5pc 1982-87 £52

UNLISTED SECURITIES MARKET

Fuller Smith Turner A (£1) £10.1 (7/2)
Inn Leisure Gp (5p) 31 2 3 4 5
Knight Computer Intnl (5p) 48 8 9 50 1
London Continental Advert Hldgs (8p) 35 6. 11½pcLn 1995-2002 £1730
Memory Computer (Ir£0.10) 162.3 200p 2 4 5 7 8 9 10 1 2 5 8
Merrydown Wine 560 2 5 76
Microfilm Reprographics (10p) 45 (4/2)
Microgen Hldgs (10p) 330 5. New (10p) 325 36 5 45
Miles 33 (10p) 107 70 3 8
Munford White (10p) 225 30 2 5 6 0 40
New Court Natural Resources Warrants 10p
Radio City (Sound of Merseyside) A Non-vtg 110 3
Resource Technology (10p) 108 70 2 4 5

RULE 163 (1) (a)

Bargains marked in securities which are quoted or listed on an Overseas Stock Exchange

RULE 163 (3)

Dealings for approved companies engaged solely in mineral exploration

RULE 163 (2)

Applications granted for specific bargains in securities not listed on any Stock Exchange

Kenmare Oil Expl Ir£0.25 3

(By permission of the Stock Exchange Council)

Authorised Units—continued

Insurances—continued

Offshore and Overseas—continued

Perpetual U T Managers (Jersey) Ltd
PO Box 459, St Helier, Jersey. 0534 74517
Offshore Gwth — $1.00 .... 2.0

Schroder Mngt Services (Jersey) Ltd
PO Box 195, St Helier, Jersey. 0534 27551

Schroder Money Funds Ltd

Sterling	£13.3440	+0.0288	—
U S Dollar	US$23.1078	+0.0413	—
Deutschmark	DM50.1100	+0.0408	—
Swiss Franc	SF50.0247	−0.0098	—

Rothschild Asset Management (C.I.)
St Julian's Ct., St Peter Pt., Guernsey. 0481 28741

OC International Reserves Ltd

Bel Frs (Fin)	BFr810.51	+0.240	11.14
Canadian $	C$35.340	+0.010	9.04
D-Mark	DM49.755	+0.005	4.07
Dutch Guilder	Fl49.310	+0.005	3.64
French Frs	Fr48.890	+0.550	14.45
Italian Lire	L33.858	+15.00	17.27
Japanese Yen	Y6,098.86	+0.930	5.57
Singapore $	S$61.410		8.03
£ Sterling	£13.070	+0.004	10.37
Swiss Francs	SF45.124	+0.002	1.61
U S $	$28.140	+0.010	0.15

Daily dealings.

For other Rothschild Offshore Funds see Offshore and Overseas section.

EUROPEAN OPTIONS EXCHANGE

Series		Mar. Vol.	Last	June Vol.	Last	Sept. Vol.	Last	Stock
O:FL G	F.260	3	7	—	—	—	—	F.285.00
O:FL C	F.265	4	5	1	7.20	21	9	"
O:FL G	F.270	—	—	—	—	10	3.20	"
O:FL P	F.260	6	2.20	10	0.50	—	—	"
O:FL P	F.265	5	5.20 B	24	10.60	—	—	"
O:FL P	F.270	5	8.80	—	—	—	—	"
O:FL P	F.280	1	15.50	—	—	—	—	"
		Feb.		May		Aug.		
GOLD C	$330	5	100	5	168	—	—	$.505
GOLD C	$375	—	—	14	143 B	—	—	"
GOLD C	$400	5	109.20	4	120	—	—	"
GOLD C	$425	23	82.50	8	100	—	—	"
GOLD C	$450	73	58	52	75	—	—	"
GOLD C	$475	283	30	51	50 B	—	—	"
GOLD C	$500	225	11	25	40	32	59	"
GOLD G	$550	49	0.60	114	20	235	37	"
GOLD P	$350	—	—	20	0.20	—	—	"
GOLD P	$400	—	—	1	1	—	—	"
GOLD P	$425	—	—	24	2	30	7.50	"
GOLD P	$450	6	0.10	140	6.50	10	12	"
GOLD P	$475	—	—	243	17.20	22	22	"
GOLD P	$500	112	7	0	23	—	—	"
12¾ NL 81 87-91								
C	F.127.50	—	—	101	7	18	7.50	F.134.30
C	F.130	350	4.70	38	3.50	—	—	"
C	F.135	303	0.80	165	2.90	15	4.20	"
C	F.140	—	—	10	1	—	—	"
P	F.130	—	—	20	1.90	12	2.80	"
P	F.135	010	0.90	100	0.50	—	—	"
10¾ NL 80 80-95								
C	F.115	—	—	110	1.80	—	—	F.114.00
P	F.115	10	0.80	—	—	—	—	"
11¼ NL 82 88-92								
C	F.112.50	60	0.80	—	—	—	—	F.112.60
C	F.115	—	—	32	2.30	—	—	"
C	F.117.50	280	0.50	50	1.80	—	—	"
C	F.120	—	—	12	1.10	—	—	"
10½ NL 82 86-89								
G	F.102.50	—	—	300	8.50	—	—	F.110.80
10 NL 82-11 86-89								
C	F.105	33	3.30	—	—	—	—	F.111.40
7¾ NL 82 80-95								
G	F.100	—	—	160	2.10	—	—	F.101.00
P	F.102.50	—	—	27	2.10	—	—	"
7½ NL 83 87-90								
G	F.102.50	—	—	00	0.70	—	—	F.100.20
		April		July		Oct.		
ABN C	F.300	87	18.50	—	—	—	—	F.010
ABN G	F.320	—	—	01	8.00	—	—	"
ABN P	F.280	01	0.70 A	—	—	—	—	"
ABN P	F.300	39	8.90	—	—	—	—	"
AKZO C	F.35	—	—	61	9	—	—	F44
AKZO C	F.40	A22	4.80	182	0.90	—	—	"
AKZO C	F.45	888	2.00	185	0	—	—	"
AKZO P	F.32.50	—	—	60	0.80	—	—	"
AKZO P	F.35	28	0.50	—	—	—	—	"
AKZO P	F.40	177	1.20	—	—	—	—	"
AMRO G	F.40	052	1	—	—	—	—	F.45.70
AMRO C	F.45	251	8.00	—	—	—	—	"
GIST C	F.120	63	23.20	—	—	—	—	F.141.50
GIST C	F.140	72	9.30	—	—	—	—	"
HEIN C	F.110	64	7	—	—	—	—	F.110.70
KLM C	F.150	160	14 B	—	—	—	—	F.155.60
KLM C	F.160	147	10 B	—	—	—	—	"
KLM P	F.120	117	28.0 A	—	—	—	—	"
KLM P	F.100	37	5	—	—	—	—	"
KLM P	F.150	103	12	—	—	—	—	"
NEDL G	F.100	31	2.50	—	—	—	—	F.92
NEDL P	F.90	28	4.10	—	—	—	—	"
NATN G	F.180	41	11.50	3	12 B	—	—	F.181
NATN G	F.130	63	4.50	9	5	—	—	"
PHIL C	F.30	383	4.70	104	4.70	77	3.90	F.34.30
PHIL C	F.32.50	71	2.80	29	3.30 A	99	4	"
PHIL G	F.35	302	1.70	495	2.30	122	2.70	"
PHIL P	F.30	45	0.40	80	1	20	1.80	"
PHIL P	F.32.50	62	1 B	16	1.80	20	2.20 B	"
RD G	F.80	14	11.50	33	12.80	—	—	F.100.50
RD D	F.100	488	4.70	105	3.80	3	7	"
RD P	F.90	117	1	17	3.10	—	—	"
RO P	F.100	72	4	18	7 A	—	—	"
		Feb.		May		Aug.		
BASF C	DM.110	—	—	—	—	30	18	DM.124.50

TOTAL VOLUME IN CONTRACTS 10,487

A=Asked B=Bid C=Call P=Put

U.K. CONVERTIBLE STOCK 12/2/83

Statistics provided by *DATASTREAM International*

Name and description	Size (£m)	Current price	Terms*	Conversion dates♧	Flat yield	Red yield	Premium† Current	Premium† Range‡	Income Equ§	Income Conv¶	Income Div♡	Cheap(+) Dear(−)◊ Current
British Land 12pc Cv. 2002	9.60	256.50	333.3	80-97	4.2	1.4	2.3	−4 to 8	29.4	85.7	20.1	+17.8
Hanson Trust 9½pc Cv. 01-06	81.54	311.00	71.4	85-01	4.7	2.5	53.9	48 to 61	63.9	76.0	8.8	−45.0
Slough Estates 10pc Cv. 87-90	5.03	230.50	234.4	78-84	4.4		−7.2	−13 to −3	17.7	9.3	−3.4	+3.8
Slough Estates 8pc Cv. 91-94	24.72	110.00	97.5	80-89	7.3	6.6	6.4	3 to 15	26.9	34.3	5.2	−1.2

* Number of ordinary shares into which £100 nominal of convertible stock is convertible. † The extra cost of investment in convertible expressed as per cent of the cost of the equity in the convertible stock. ‡ Three-month range. § Income on number of ordinary shares into which £100 nominal of convertible stock is convertible. This income, expressed in pence, is summed from present time until income on ordinary shares is greater than income on £100 nominal of convertible or the final conversion date whichever is earlier. Income is assumed to grow at 10 per cent per annum and is present valued at 12 per cent per annum. ¶ Income on £100 of convertible. Income is summed until conversion and present valued at 12 per cent per annum. ♡ This is income of the convertible less income of the underlying equity expressed as per cent of the value of the underlying equity. ◊ The difference between the premium and income difference expressed as per cent of the value of underlying equity. + is an indication of relative cheapness. − is an indication of relative dearness. ♧ Second date is assumed date of conversion. This is not necessarily the last date of conversion.

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Standard Indiana near Italian sale

BY JAMES BUXTON IN ROME

STANDARD OIL of Indiana is understood to be close to agreeing the sale of its Italian subsidiary, Amoco Italia. The Italian company has told employees that it expects a decision to be reached by February 22.

The U.S. parent company is now negotiating with only two potential buyers instead of an original five. Employees were told that the prospective purchasers would keep Amoco Italia's operations going. Amoco haa a refinery at Cremona in Northern Italy and a sales network with 1,100 outlets.

Standard Indiana decided to put its Italian business up for sale at the end of 1981 because of the unprofitable nature of the Italian market, where pricea are strictly controlled at almost all stages. BP and Shell both left the Italian oil market in tha 1970s for the same reason, though BP bas returned on a small seale.

Though Standard Oil has refused to confirm that an agreement is imminent, it is understood that both the gronps with which it is negotiating are in the private sector and are either foreign or partially foreign owned. BP and Shell each sold out to Italian companies.

Though Amoco Italia has the capacity to supply only 5m tonnes of products a year from its refinery, which would account for about 6 per cent of the Italian market, It bas its own pipeline network linking its refinery to four oil-fired power stations. Its purchase only makes sense to a buyer interested in acquiring refining capacity, a consideration which would rule out Agip, the Italian state-owned oil company, which has much surplus refining capacity.

Though the control of petroleum product prices in Italy was receotly eased with the ending last year of the fixing of gasoil prices by the Government. Esso Italy this week announced operating losses of about L300bn ($215m) io 1982. Part of this, however, was due to its being tiad to relatively expensive crude oil supplies from Saudi Arabia.

With the recent annoucement by Gulf Oil, the U.S. major, that it is selling out of its interests in Europe, there is speculation in Italy over the future of its Italian operations. The company has sold its petroleum products operations in the Benelux countries to the state-owned Kuwait Petroleum Company and those in Switzerland to Shell.

Wienerwald puts forward new restructuring plan

BY JOHN WICKS IN ZURICH

CREDITORS were yesterday asked to approve an asset transfer proposal by Wienerwald Holding, the Swiss parent company of the troubled international restaurant group. Approval will be called for in writing next week, and a decision is expected in early March.

Assets with a book value of SwFr 131.8m ($65.6m), and an estimated current liquidation value of SwFr 86.9m would be transferred to Svido-Gastronom-Holding, of Schwyz, whose share capital of SwFr 100,000 would be handed over to the liquidator.

Four representatives of creditor banks were elected to the Svido board at the creditors' meeting in Rüschlikon, near Zurich, as well as a representative of Wienerwald Holding. After realisation of the assets, the company would be wound up.

This solution replaces the original plan of a 60 per ceot debt settlement. Creditors were told yesterday that this proposal had had to be dropped since its realisation could not have been guaranteed sufficiently to meet Swiss legal requirements.

Wienerwald Holding's current liabilities amount to SwFr 411.6m though this includes SwFr 234.2m of disputed liabilities, as well as a number of only potential liabilities.

Wienerwald Holding of Feusisberg, which would retain its stake in German and Austrian operations, itself intends to create dividend certificates with a nominal value of SwFr 30m. The proposal foresees the transfer of these to Svido with a 5 per cent priority dividend distributed to creditors. The capital of Wienerwald Holding, which belongs to company founder Mr Friedrich John, would be reduced from SwFr 7m to SwFr 5m.

After the asset transfer, Wienerwald Holding would have an estimated current liquidation value of SwFr 21.4m.

This year, Wienerwald reckons on a small consolidated net loss of some SwFr 200,000. Coming years are expected to yield net profits of SwFr 4.7m in 1984 and between SwFr 5.6m and SwFr 6.5m in 1985-87.

Shipbuilding sector boosts Daewoo exports to $2bn

BY ANN CHARTERS IN SEOUL

EXPORT SALES of Daewoo Corporation, the diversified Korean industrial group, surpassed $2bn in 1982, nearly 10 per cent of South Korea's total exports, with ships and offshore structures replacing textiles as the leading sectors.

Daewoo's shipbuilding and heavy machinery subsidiary contributed $561m of the total figure, followed by textiles at $525m, steel products with $282.5m and leather goods and electronics products contributing $92m and $76m respectivaly.

Export sales are up from $1.9bn in 1981 and $1.4bn in 1980, giving the corporation an increase in overseas sales each year since its foundation 16 years ago. Korea's total exports on a customs cleared basis were $21bn for 1982. Consolidated financial results for 1982 for Daewoo are due by early April.

The corporation is forecasting a 30 per cent increase in exports for 1983 to over $2.6bn.

The shipbuilding subsidiary is expected to be the major contributor with several semi-submersible rigs and an offshore seawater treatment plant scheduled for delivery this year. The major market for Daewoo's products remains the U.S.

In a bid to enter the Korean consumer goods market, Daewoo Electrooics has just acquired the country's third largest home appliance manufacturer, Taiban Electric Wire.

The $120m acquisition gives Daewoo a manufacturiog capability in consumer goods ranging from refrigerators, microwave ovens, video tape recorders, televisions and other audio products to new lioes of computers and office automation products. Radios and cassette recorders will be supplied to Daewoo Motor Company, the joint veoture with General Motors, and communications systems and equipment will be manufactured for Daewoo's shipbuilding undertakings.

Daewoo is expected to build upon Taiwan's experience in manufacturing telecommunications equipment and electronics parts and components to increase the export sales of its electronics subsidiary to $200m this year, up from $35m

Chase in talks to buy discount broker

By Paul Taylor in New York

CHASE MANHATTAN, the third largest bank in the U.S., confirmed yesterday that it is negotiating to buy a Chicago discount brokerage firm.

The move by Chase, which is expected to complete negotiations by the end of next week, marks a further intensification of the trend towards de-regulation in the U.S. financial services industry.

Last month Bank of America, the largest bank in the U.S., completed the purchase of Charles Schwab, the largest discount broker in the U.S., after receiving approval from the Federal Reserve Board. The purchase is now being challenged in the courts by the Securities Industry Association.

Security Pacific, 10th largest bank in the U.S., has also been expanding into the discount brokerage field setting up its own discount brokerage service and announcing plans to acquire a leading discount brokerage firm in the south.

Chase is planning to purchase Rose and Company, the nation's fourth largest discount brokerage firm executing about 2,000 trades a day. Rose, which is privately owned, has 85 employees, assets of $41m and capital of $4m.

Mr John Rose, president of the firm, said yesterday that discussions with Chase started about six months ago and added that he expects an agreement to be announced after a Chase board meeting next Wednesday.

Neither Rose nor Chase revealed financial details of the proposed deal. It is understood that Chase plans to offer the discount brokerage services to its broad customer base, including its extensive Visa card network.

Imasco set for expansion as FIRA attitude changes

BY ROBERT GIBBENS IN MONTREAL

IMASCO, the Canadian tobacco, food, products and retailing group which is 49 per cent controlled by BAT Industries of the UK, has seen a radical change in the attitude of the Foreign Investment Review Agency in the past three months and looks forward to being able to expand in Canada as a full Canadian corporate system, according to Mr Paul Pare, the chairman.

The compaoy has carried on a two-year battle with FIRA to obtain exemption from the foreign investment review process so that it could invest several hundred millions of surplus funds in businesses in Canada outside its present activities. Up to now, FIRA has insisted that aoy axemption outside existing busioesses had to have a review.

Imasco has always claimed that its principle shareholder BAT will have its holding reduced gradually to around 40 per ceot by 1985, and that it is a Canadian-managed company operating businesses in Canada. The BAT interest has been passive for many years.

Earlier this week Imasco revealed results which continue to beat the recession, both in Canada and the U.S.

Third quarter net earnings were C$48.5m (US$39.3m), or C$1.09 a share against C$37.7m or 86 cents, on revenues of C$700m against C$593m.

In the first nine months ended December 31, net earnings were C$126.5m, or C$2.87 a share, against C$98.7m, or C$2.22, on revenues of C$2.08bn, against C$1.67bn. Earnings per share reflected last November's two-for-one stock split.

Imsco's tobacco and food products business in is Canada mainly aod its fast food retailing operation in the U.S.

Half of total revenues come from tobacco products which in the last nine months showed an 11 per cent rise in revenues and a 20 per cent increase in operating profits. A oew division will try to extend resource and venture capital activities.

The company expects the improvement in results will carry through for the full fiscal year.

● Dofasco, Canada's secood largest steelmaker, earned C$63.8m or C$2.63 a share, in 1982 against C$169.3m, or C$9.08, a year earlier

Grace and Myer property move

BY LACHLAN DRUMMOND IN SYDNEY

THE TWO beleaguered leaders of Australian retailiog, Myer Emporium and Grace Brothers Holdings, have struck a A$65m (U.S.$63m) property for cash deal aimed at strengthening both of their positions in an increasingly competitive sector.

Under the deal Grace Brothers will pay A$65m on deferred terms for the stock, fixtures, fittings and leases on 12 of Myer's department stores in New South Wales and oo the stock of three other stores. It will also pass on to Myer a new department store development in Queensland.

The Grace board are apparently determined to push ahead with recovery plans for the group regardless of the stalemate on shareholdings positions which has existed since Australian Woolworths withdrew its takeover offer last year and left two rival retailing groups holding almost 20 per cent in Grace.

These are Mr Alan Bond's Waltons Bond retailing arm and the Adelaide Steamship group, which owns the David Jones department store chain, both of whom are sure to lodge objections to this deal.

An extraordinary meeting requisitioned by the Bond group to consider board representation for Waltons Bond at Grace may well provide the public battleground.

Grace Brothers is already the largest department store retailer in the crowded New South Wales market and believes that the addition of the Myer outlets will give it considerable advantages by allowiog for rationalisation of buying, distribution, advertising and administration.

Grace's sales last year totalled A$874m aod its new stores should add something like A$400m a year. Profits to July 31 last fell by 24 per cent to A$[illegible]m.

For Myer the deal will provide some relief from the cash bind imposed on the company by interest charges. These last year totalled A$57.8m. It will also allow it to keep its properties, which are likely to be bundled up into a saleable parcel for institutional investors in a further step to wind down borrowings of around A$440m. Profits in the July 31 year were A$2[illegible].8m on sales of A$1.071bn.

Myers NSW interests have only been moderately profitable and its retreat will allow it to concentrate on its power base in Victoria and its more successful expansion into South Australia and Queensland.

The move will also put pressure on David Jones and Waltons, two groups which might have wished to benefit from some rationalisation of Grace's interests.

AUTHORISED UNIT TRUSTS

FT UNIT TRUST INFORMATION SERVICE

Abbey Unit Tst. Mngrs. (a)
1-3 St Paul's Churchyard EC4P 4DX 01-236 1893

High Income				
Gilts & Fixed Int.	111.2	117.7	+0.7	10.64
High Inc Equity	45.3	48.7	+0.2	7.68
[illegible]				

Britannia Gp. of Unit Trusts Ltd. (a)(c)(g)
Salisbury House, 31, Finsbury Circus, London EC2
01-638 0478/0479 or 01-588 2777.
Britannia, Viewpoint 01-673 0048

UK Specialist Funds				
Assets	137.6	148.4	+1.2	4.07
Recovery	48.2	52.0	...	3.71
Smaller Cos.	79.1	85.3	+0.7	2.41
Spec. Mkt. Sits.	70.4	75.9	+0.2	2.10
UK Blue Chip	47.9	51.6	+0.2	3.75
High Income Funds				
Nat. High Inc.	93.1	100.3	+0.3	7.44
[illegible]				

Duncan Lawrie Fnd. Mgrs. (g)
1, Hobart Place, London SW1W 0HU. 01-245 9321

[illegible]

Henderson Administration (a) (b) (c)
Premier UT Admn., 5, Rayleigh Road, Hutton, Brentwood, Essex. 0277 217238

[illegible]

Lloyd's Life Unit Tst. Mngrs. Ltd.
2, St. Mary Axe, EC3A 8BP. 01-623 6114

[illegible]

National Westminster (a)
161, Cheapside, EC2V 6EU. 01-726 1999

[illegible]

Save & Prosper—continued

Sector Funds				
Commodity	156.9	168.8	+2.3	1.89
Energy	122.6	131.5	+1.9	1.92
Exploration Fund (?)	35.2	37.8	-0.4	0.23
Financial Secs.	129.3	138.3	+2.5	2.90
New Technology (z)	75.0	80.7	+0.6	0.23
Scotbits	61.6	66.5	-1.1	3.03
Special Situation Fd.	49.0	53.1	+0.4	2.82
Intl. Bond Fd.	76.6	82.3	+0.6	1.78
Exempt Funds				
Exempt Income	240.6	254.0	...	7.20
[illegible]				

Tyndall Managers Ltd.(a)(b)(c)
18, Canynge Road, Bristol. 0272 732241

Capital	196.2	210.2	+1.8	3.50
(Accum. Units)	321.4	340.8	+2.6	3.50
Income	114.0	121.0	+0.6	8.50
(Accum. Units)	291.8	309.4	+1.4	8.50
Pref.	100.4	108.0	+0.2	11.89
(Accum. Units)	191.4	205.8	...	11.89
Exempt	155.0	164.6	+1.2	6.20
(Accum. Units)	292.0	314.0	+2.2	8.20
Int. Ems	92.6	95.6	+0.8	3.93
(Accum. Units)	125.8	133.2	+1.0	3.93
[illegible]				

[illegible]

INSURANCES

[illegible]

Confidence about economic/cheaper money prospects grows and equities end spectacular week at records

Account Dealing Dates
Options

*First Dealings	Declara-tions	Last Dealings	Account Day
Jan. 31	Feb. 17	Feb. 18	Feb. 28
Feb. 21	Mar. 3	Mar. 4	Mar. 14
Mar 7	Mar 17	Mar 18	Mar 28

* "New-time" dealings may take place from 9.30 am two business days earlier.

Booming London equity markets took profit-taking in their stride yesterday. Leading shares closed higher for the fourth successive week and once again the main indicators of the trend ended yesterday at records with the FT 30-share index 7.7 better at 662.5 and the FT-Actuaries All-share index 1.1 per cent up at 413.08.

Investors' confidence about prospects for the world economy and cheaper international money has grown steadily this week. Despite substantial calls on market funds—the Associated British Ports' issue alone attracted £739m—and a tendency to reserve money for next week's Superdrug Stores' flotation, equities have blossomed.

Wall Street optimism based on hopes of a cut in the key Federal Reserve Discount rate gave London markets added momentum yesterday. Sales representing professional and short-term profit-taking initially checked the advance but fairly comfortable absorption of the selling signalled a revival of selective institutional and other support. This took values to new heights as stock shortages in many sectors became more apparent.

Other aids to London sentiment included an annual rate of UK inflation below 5 per cent, this week's lower Treasury bill rate, which further strengthened interest rate hopes, and favourable views on the U.S. economy from a leading American broker.

Overseas investors meantime were seemingly impressed by the pound's performance this week against the dollar and committed funds to Government stocks. The sector thus extended its gradual improvement for the fifth consecutive session, longer-dated issues being to the fore with gains of a full point. The shorts were inhibited by thoughts that any new Government funding would come in this or the near-medium area.

After the official close, a $700m tranche of the existing Exchequer 10½ per cent 1987 was announced at a minimum tender price of £98.50, with £30 payable on application next Thursday. When trading was resumed, the longs edged forward ¼ more, but the shorts eased back that amount to close little changed. Monday's call of £35 per cent on Treasury 2½ per cent 2016 continued to restrict index-linked Gilts, which again moved against the trend of conventional stocks.

The major clearing banks ended the second leg of the three week Account on a subdued note, sentiment not helped by talk of a possible rights issue in the forthcoming dividend season. After Thursday's fall of 12, NatWest slipped to 514p before picking up to close just 2 cheaper on balance at 518p. Discount Houses attracted selective support and Smith St Aubyn were noteworthy for a gain of 4 to 38p.

Among Hire Purchases, Wagon Finance touched 51p before closing a penny dearer on balance at 50p following the preliminary results.

Composite Insurances moved narrowly and made an irregular showing. Life issues were firm with Hambro Life rising 6 to 292p. Pearl 5 to a 1982/83 peak of 370p and Refuge 10 to 328p. Prudential improved 4 to 384p and Legal and General 6 to 406p.

Continuing interest rate optimism and budget spending hopes imparted fresh firmness to selected leading Buildings. Barratt Developments rose 10 for a gain on the week of 22 to a 1982/83 peak of 492p, while George Wimpey edged up a couple of pence to a new high of 147p. Bryant Holdings attracted a useful two-way business and moved between extremes of 65p and 61p before settling a penny off at 64p. Crouch Group, a good market recently on the £2.5m Mayfair property sale, gained 6 more to 108p on the announcement that Garran Rawlins has increased its stake in the company to 8.5 per cent. Robert M. Douglas shed 5 to 70p on the interim loss and dividend cut. Whatlings, in which Epicure has recently acquired a 9 per cent stake, rose 4 more to 62p, while Burnett and Hallamshire advanced 40 to 815p following favourable Press comment. Also on comment, Higgs and Hill firmed 6 to 138p. Galliford met revived support and put on 8 to 66p. UBM were actively traded on takeover hopes and touched 89p before closing a net 3½ up at 88p. After Thursday's jump of 13 on a newsletter tip, Ben Bailey encountered profit-taking and shed 4 to 29p, while recently firm York Mount, also on profit-taking, lost 5 to 84p.

After opening a couple of pence firmer in the wake of Wall Street's overnight advance, ICI drifted back to 390p on profit-taking before settling a net 2 cheaper on balance at 392p. Laporte, still responding to the investment seminar, hardened 2 for a gain on the week of 25 to 272p, while Coates Brothers A firmed 3 to 89p.

Stores quiet

Store leaders generally held close to the overnight positions. Woolworth, still responding to brokers' upgraded profits estimates, advanced 8 to record a gain on the week of 29 at 206p. UDS gained a couple of pence to 107p following the profits forecast in the circular to shareholders advising rejection of the 100p per share offer from Bassishaw; Burton closed 10 higher at 320p.

Marked down to 110p at the outset following the announcement of a possible offer for the company at that price, Northern Goldsmiths rose steadily throughout the session and finished a net 30 dearer at 164p on realisation that the offer, by private insurance consultants Gover, constitutes a management buy-out and that the listing will be retained. Press mention lifted Greenfields Leisure 4½ to 45p, while renewed speculative demand prompted gains of 5 and 8 respectively in Fine Art, 36p, and Ciro, 115p.

Leading Electricals again failed to hold higher opening levels, but still finished a little dearer on balance, GEC ending with a gain of 4 at 216p and Plessey 3 firmer at 598p. Bowthorpe were noteworthy for a fresh rise of 10 to 255p. Profit-taking was evident in some of the security issues after recent firmness prompted by the Barbican crime-prevention exhibition. Automated Security reacted 15 to 453p and Security Centres 10 to 340p, while Security Tag came back 40 to 790p. Electro-Protective, in contrast, advanced 8 to 226p, while continued support in a limited market left Pifco 18 higher at 213p. Buyers showed interest in Cambridge Electronic Industries, which gained 7 to 160p and Eurotherm, 13 up at 613p.

A good market earlier in the week, leading Engineers appeared to be overlooked yesterday and finished with small losses in most cases. Elsewhere, late support lifted Babcock 4 to 137p and Glynwed 5 to 102p, while E. Austin advanced 6 to 57p on the agreed bid of 60p per share from Caparo. Press comment stimulated occasional support for Woodhouse and Rixon, 1½ higher at 22p, but D. F. Bevan eased 2 to 8p on the half-year loss and the passing of the interim dividend. Vosper rallied 23 to 228p in a limited market, while Yarrow also picked up 10 to 380p. Mining Supplies closed a penny cheaper at 57p, the poor interim results already having been discounted. ML Holdings eased 10 to 280p, but Pegler-Hattersley found support and put on 9 to 275p along with Edbro, which improved 6 to 69p.

Selected Food Retailers made useful progress despite cautious Press comment. Associated Dairies, the new FT 30-share index constituent, rose 6 to 160p following a reappraisal of the recent results, while Kwik Save encountered support and gained 10 to 312p. Bejam were also in demand and firmed 4 to 146p. Elsewhere, Tate and Lyle rose 7 to 284p on investment demand, while Rowntree Mackintosh edged up a couple of pence to a 1982/83 peak of 230p.

Kennedy Brookes put on 12 to 190p following the better-than-expected preliminary results.

Reed Int. supported

The miscellaneous industrial leaders encountered selective demand. Reed International were outstanding at 282p, up 10, while Bowater improved 8 to 180p and Beecham closed similarly dearer at 375p. BTR edged up 6 to 426p. Elsewhere, Watshams responded to the increased interim profits with a rise of 15 to 625p, while satisfactory half-year figures left Gripperrods 4 dearer at 122p. BET advanced 10 to 200p following a Press suggestion that Hanson Trust may bid for the company, but the reduced interim loss failed to help Stonehill Holdings, which gave up 4 to 62p. Bespak gained 10 to 205p with the aid of a Press mention. Rank Organisation continued to make progress, rising 4 more to 138p. Royal Worcester rose 10 to 135p and renewed buying interest lifted Charles Hill 7 further to 107p. Down to 560p at one stage, London and Liverpool encountered late demand and finished 23 to the good on balance at 593p. Still reflecting the good preliminary results, Securicor improved 5 further to 297p.

Pleasurama attracted revived speculative demand in a thin market and rose 25 to 470p, but takeover favourite Trident TV came back 5 to 75p on profit-taking.

Continued optimism over the possible flotation of Reuters prompted renewed support of Fleet Holdings which firmed 3 for a gain on the week of 11 to 58p. Pearson Longman 5½ per cent Cumulative Preference were marked 8 higher at 46p, and the 7 per cent Cumulative Preference 16 up at 68p following offers for the outstanding shares by parent company S. Pearson, a penny cheaper at 290p.

Good earlier in the week on revived demand, Properties opened higher in line with the general trend; profit-taking developed at the enhanced levels and quotations came back, only to go better again in the late dealings. Land Securities closed 4 dearer on balance at 310p, as did MEPC, at 221p. Great Portland Estates also rose 4, to 150p, while Capital and Counties firmed 3 to 152p. Elsewhere, Trust Securities put on 13 to 91p with the Deferred 19 higher at 88p; the shares were recently tipped in a newsletter. Dares Estates gained 3½ to 25½p on talk that the company might be mentioned in the weekend Press. Amalgamated Estates moved up 3 to 20p to match Mr Frank Phillips' put and call option price on 25.84 per cent of the issued share capital. Bairstow Eves rose 3 for a gain on the week of 17 to 95p; the preliminary results are due early next month.

Helped by a firm overnight lead from Wall Street, Oil shares took a distinct turn for the better. Recent uncertainties about the crude price appeared to be momentarily ignored and both Shell and BP closed with gains of 10 at 440p and 324p respectively. Lasmo picked up 22 to 282p. Ultramar, depressed earlier by the £105m rights issue, closed 20 higher at 523p. KCA International rose 20 to 67p following the bid approach from the chairman; KCA Drilling gained 5 to 45p. Hadson were noteworthy for a rise of 8 to 72p.

Exco International continued to make the running among otherwise uninspired Financials. Further consideration of the Telerate stake, via Exco's near 60 per cent holding in Unitel, lifted the shares another 45 for a gain on the week of 178p at 610p. The enthusiasm was again reflected in British and Commonwealth Shipping, which holds some 14 per cent of Exco, up 25 to record a rise on the week of 110 at 740p.

Textiles finished on a firm note. Nottingham Manufacturing attracted revived support in front of Monday's annual figures and rose 6 more to 240p. Courtaulds, 89p, and Dawson, 147p, both rose a couple of pence. Activity elsewhere was mainly confined to speculative favourites. Nova Jersey stood out with a gain of 9 to 91p, while British Mohair gained 3½ to 60p and Textured Jersey closed 5 dearer at 70p.

A dull market of late, Bats rallied 8 to 720p with sentiment aided by the proposed rationalisation of the troubled Mainstop chain. Imperial also rallied, closing 3 better at 127p, disappointment over the merely maintained dividend outweighed by the company's growth prospects.

Golds race ahead

A nerve-jangling week in mining markets closed with both South African Golds and Australians in splendid form.

The South African sector, which endured a turbulent session on Monday following the lifting of the two-tier exchange rate system, staged a strong recovery after the mid-week downturn and yesterday posted a gain on the Gold Mines Index of 25.4 to 711.5—just below the 712 record achieved on Tuesday.

The strong gains in Golds followed a resurgence of South African buying in the wake of the renewed rise in the bullion price which re-crossed the $500 an ounce level to close $7 up at $503.

Many of the leading heavyweights attained record levels, including Randfontein, £2½ firmer at £95½, Vaal Reefs, £2¾ up at £81½, and Hartebeest, £1½ to the good at £56½. Kloof jumped £1½ more to a peak £34½ boosted by hopes of a gold find by Gold Fields of South Africa adjacent to the Kloof mine. GFSA, a strong market of late, edged up ¼ to a record £88½.

South African Financials were equally buoyant, especially Gencor, which improved ½ to a 1982/83 high of £19 and De Beers, 13 to the good at a 1982/83 high of 515p. Anglo American Corporation hardened ½ to £12½ and Transvaal Consolidated Land a full point to £37. London Financials mirrored the gains in precious and base-metals, firm Golds and another strong performance by UK equities. Rio Tinto-Zinc rose 18 to 550p, Gold Fields 12 to 567p and Charter 8 to 250p.

Gains in free market platinum prices encouraged good support for Rustenburg Platinum, 20 higher at 460p.

Australians shrugged off the prospect of a Labor win in the March 5 election. Heavy institutional demand boosted the leading Golds and base-metal producers, such as GMK, 75 firmer at a 1982/83 high of 780p, and Central Norseman, 40 up at 633p, while Poseidon jumped 27 to 400p, CRA 12 to 245p and MIM Holdings 20 to 264p. In the speculatives, Samantha advanced 10 to 41p.

Traded Options finished the week on a buoyant note with 3,133 contracts transacted to bring the week's daily average to 2,863. Lonrho remained active in the wake of the preliminary results and recorded 497 calls and 190 puts. Money was also directed towards Commercial Union positions, particularly the April 130's which attracted 230 calls out of 434; the annual results are expected during the next Account. Most premiums were static, although Shell April 420 calls were strong at 34p, up 12, while sharp gains were seen in the RTZ February series which expires next Wednesday, the 500 calls advancing 25 to 55p, and the 550 calls closing 4 dearer at 7p.

RESULTS AND ACCOUNTS IN BRIEF

WINTERBOTTOM ENERGY TRUST—Net asset value per ordinary share by February 4 1983 was 65.1p after deduction of prior charges at par and 67.3p after deduction of prior charges at market value.

LONDON SCOTTISH FINANCE CORPORATION—Results for the 65 weeks ended October 26 1982 reported on January 11. Shareholders' funds £5.19m (£4.66m); net current assets £4.03m (£3.76m); fixed assets £1.17m (£836,559). Ex-gratia payment to former director £7,000. Chairman says current year has opened well with trading more buoyant. He is hopeful of a further improvement in profitability. Meeting, Manchester, March 2, noon.

NEW TOKYO INVESTMENT TRUST—Pre-tax profit £25,000 for 1982 year (£47,000 adjusted for period October 20, 1980 to December 31, 1981). Tax £20,500 (£21,000). Earnings per 50p share 0.06p (0.28p). Net asset value 145.6p (124.7p) and 141.5p (122.5p) adjusted for exercise in full of rights attached to warrants. No dividend (same).

OSPREY ASSETS (investment trust)—Net interim dividend for the half year to end December 1982 0.5p (same); earnings per 25p share 1.2p (1.01p); net asset value 31.94p (29.68p); gross pre-tax revenue £41,608 (£32,622); tax £17,573 (£12,347); gross investment income £31,453 (£32,027); underwriting income and dealing subsidiary realisations profit £11,865 (£1,904).

CRONITE GROUP (nickel alloy products, metal processor and steel stockholder)—Results for year to September 30 1982 already known. Shareholders' funds £2.15m (£2.11m); current assets £4.44m (£4.34m), including debtors £2.43m (£2.67m); net current assets £1.57m (£661,000). Mr K. F. Ward, chairman, says that due to significant export orders achieved since the year end, the board is now able to face the remainder of the current year and perhaps, more particularly 1984, with a degree of optimism, notwithstanding the losses that have occurred during the first quarter. Meeting: Warwick, February 22, at noon.

FT-ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

EQUITY GROUPS & SUB-SECTIONS	Fri Feb 11 1983: Index No.	Day's Change %	Est. Earnings Yield % (Max.)	Gross Div. Yield % (ACT at 30%)	Est. P/E Ratio (Net)	Thurs Feb 10 Index No.	Wed Feb 9 Index No.	Tues Feb 8 Index No.	Mon Feb 7 Index No.	Year ago (approx.) Index No.	1982/83 High	1982/83 Low	Since Compilation High	Since Compilation Low
[illegible]														

FIXED INTEREST

PRICE INDICES	Fri Feb 11	Day's change %	Thurs Feb 10	xd adj. today	xd adj. 1983 to date
[illegible]					

AVERAGE GROSS REDEMPTION YIELDS	Fri Feb 11	Thurs Feb 10	Year ago (approx.)	1982/83 Highs	1982/83 Lows
[illegible]					

Equity section or group	Base date	Base value	Equity section or group	Base date	Base value
[illegible]					

† Flat yield. A new list of the constituents is available from the Publishers, The Financial Times, Bracken House, Cannon Street, London, EC4, price 15p, by post 28p. CONSTITUENT CHANGE: Carrington Viyella has been deleted from Textiles and replaced by Applied Computer Techniques (Holdings) (Office Equipment).

RECENT ISSUES

EQUITIES

Issue price	Amount paid up	Latest Renunc. date	1982/3 High	1982/3 Low	Stock	Closing price	+ or −	Net Div.	Times covered	Gross Yield	P.E. Ratio
[illegible]											

FIXED INTEREST STOCKS

Issue price	Amount paid up	Latest Renunc. date	1982/3 High	1982/3 Low	Stock	Closing price	+ or −
[illegible]							

"RIGHTS" OFFERS

Issue price	Amount paid up	Latest Renunc. date	1982/3 High	1982/3 Low	Stock	Closing price	+ or −
[illegible]							

[illegible]

FINANCIAL TIMES STOCK INDICES

	Feb. 11	Feb. 10	Feb. 9	Feb. 8	Feb. 7	Feb. 4	year ago
Government Secs.	78.80	78.86	78.37	78.09	77.88	77.46	66.04
Fixed Interest	80.55	80.29	80.21	79.96	79.72	79.79	65.43
Industrial Ord.	662.5	654.8	655.0	649.4	643.0	644.0	470.3
Gold Mines	711.5	686.1	695.0	712.0	675.0	658.5	284.1
Ord. Div. Yield	4.61	4.66	4.71	4.74	4.77	4.76	6.29
Earnings, Yld.% (full)	9.95	10.04	10.10	10.16	10.21	10.20	9.84
P/E Ratio (net) (*)	12.09	11.98	11.90	11.83	11.76	11.78	13.03
Total bargains	24,085	25,007	20,082	26,276	23,935	27,640	19,081
Equity turnover £m.	—	257.81	209.82	207.45	203.25	239.55	165.09
Equity bargains	—	21,428	21,588	21,146	23,093	25,214	19,343
Shares traded (ml)	—	167.5	156.7	132.7	142.9	195.8	137.4

10 am 658.5. 11 am 656.0. Noon 658.3. 1 pm 658.6. 2 pm 659.4. 3 pm 659.8.

Basis 100 Govt Secs. 15/1/26. Fixed Int. 1928. Industrial 1/7/35. Gold Mines 12/10/55. SE Activity 1974.

Latest Index 01-246 8026.

*Nil=11.31.

HIGHS AND LOWS

	1982/3 High	1982/3 Low	Since Compilat'n High	Since Compilat'n Low
Govt. Secs.	85.84 (5/11)	61.09 (5/1/82)	127.4 (9/1/35)	49.18 (3/1/75)
Fixed Int.	87.02 (12/11)	62.70 (7/1/82)	150.4 (28/11/47)	50.53 (3/1/75)
Ind. Ord.	662.5 (11/2/83)	510.1 (5/1/82)	662.5 (11/2/83)	49.4 (26/6/40)
Gold Mines	712.0 (8/2/83)	181.2 (22/6)	712.0 (8/2/83)	43.5 (26/10/71)

S.E. ACTIVITY

	Feb. 10	Feb. 9
—Daily		
Gilt Edged Bargains	169.2	161.8
Equities Bargains	138.8	138.5
Value	821.1	494.7
5-day Avrge		
Gilt-Edged Bargains	171.2	169.2
Equities Bargains	145.6	150.0
Value	472.1	481.0

LEADERS AND LAGGARDS

Percentage changes since December 31 1982 based on Thursday February 10 1983

Office Equipment	+28.41	Leisure	+9.46
Gold Mines Index	+23.29	Other Groups	+9.40
Packaging and Paper	+17.01	Mechanical Engineering	+9.03
Insurance Brokers	+16.73	Building Materials	+8.37
Newspapers, Publishing	+16.21	Chemicals	+8.21
Metals and Metal Forming	+15.51	Shipping and Transport	+7.60
Insurance (Composite)	+15.47	Food Manufacturing	+7.08
Mining Finance	+14.39	Contracting, Construction	+6.96
Overseas Traders	+13.50	All-Share Index	+6.56
Investment Trusts	+13.47	Brewers and Distillers	+5.93
Other Industrial Materials	+13.37	Insurance (Life)	+5.35
Motors	+12.87	Industrial Group	+5.27
Textiles	+12.65	500 Share Index	+5.07
Financial Group	+12.32	Consumer Group	+4.92
Tobaccos	+12.29	Capital Goods	+4.31
Other Consumer	+12.04	Oils	+3.84
Banks	+11.24	Food Retailing	+0.30
Property	+11.19	Discount Houses	−1.35
Health and H'sehold Products	+10.33	Electricals	−1.38
Merchant Banks	+9.73	Engineering Contractors	−2.28
		Stores	−4.86

OPTIONS

First Dealings	Last Dealings	Last Declaration	For Settlement
Feb 7	Feb 18	May 19	May 31
Feb 28	Mar 11	June 2	June 13
Mar 14	Mar 25	June 16	June 27

For rate indications see end of Share Information Service

Money was given for the call in Bats, Slough Estates, Mellins, Woolworth, London Investment Trust, Simmer and Jack, Combined Technologies, Keep Investment, Enterprise Gold, Associated Dairies, Audiotronic, Arien, Charterhall, Trent Standard Industrial, Bio-Isolates, Johnson and Firth Brown, Wheelock Marden A, Lonrho and Sturla. Puts were taken out in Ben Bailey and General Accident, while doubles were struck in Mettoy, Keep Investment, Double Eagle, Combined Technologies and Reliance Knitwear.

RISES AND FALLS

	Yesterday Rises	Yesterday Falls	Yesterday Same	On the week Rises	On the week Falls	On the week Same
British Funds	78	8	12	325	36	125
Corpns. Dom. and Foreign Bonds	14	2	60	105	31	244
Industrials	386	186	759	1,742	1,091	3,822
Financial and Props.	202	47	265	856	333	1,381
Oils	41	15	56	131	109	315
Plantations	[illegible]					
Mines	[illegible]					
Others	[illegible]					
Totals	[illegible]					

NEW HIGHS AND LOWS FOR 1982/83

NEW HIGHS (239)

[illegible]

NEW LOWS (6)

[illegible]

5-DAY ACTIVE STOCKS

Based on bargains over the five-day period ending Thursday

Stock	No. of changes	Thurs. close	Day's change	Stock	No. of changes	Thurs. close	Day's change
[illegible]							

THURSDAY'S ACTIVE STOCKS

Based on bargains recorded in SE Official List

Stock	No. of changes	Thurs. close	Day's change	Stock	No. of changes	Thurs. close	Day's change
[illegible]							

ACTIVE STOCKS

Above average activity was noted in the following stocks yesterday.

Stock	Closing price	Day's change	Stock	Closing price	Day's change
Bowater	180	+8	Kloof Gold	£34½	+1½
Bryant	64	−1	Land Sec.	310	+4
De Beers Defd.	515	+13	Reed Int.	282	+10
Exco	810	+45	UBM	88	+3½
Gold Fields S.A.	£88½	+¼	UDS	107	+2
KCA Int.	67	+20	Woolworth	206	+8

Isis Services at £236,000

Pre-tax profits at Isis Industries Services amounted to £236,000 for the six months to the end of September 1982, on a turnover of £15.55m. This unquoted company, which has interests in construction, plant hire and property management, was incorporated in October 1981, and no meaningful comparative figures are therefore available.

Mr L. A. B. Park, chairman, expresses "cautious optimism" for the 1983-84 year and says profits will increase "significantly."

He says that the profit, after tax and £70,000 extraordinary debits, of £166,000, reflected difficulties encountered by the company's national hire businesses during the period. Action has been taken to counteract this problem.

High hopes in the early spring were promptly followed by a sharp downturn in business levels in the summer, says Mr Park, from which there has been no recovery so far.

In the past five months, 11 of the company's 28 hire depots have been closed and this has resulted in the extraordinary debits, which could amount to as much as £400,000 for the year. These policies will help increase profits for the next year.

Trading profits stood at £614,000 from which there was £378,000 interest payable.

There was no tax charge for the six months. After preference dividends of £132,000, retained profits were left at [illegible].

هكذا اصبح الأهل

INSURANCE & OVERSEAS MANAGED FUNDS

London A'deen & Nthn. Mtl. Assur. Ltd.
129 Kingsway, London, WC2B 6NF. 01-404 0393

'Asset Builder'	59.9	63.1	.....	—

London Indemnity & Gnl. Ins. Co. Ltd
18-20, The Forbury, Reading 583511.

Money Mngr. Feb. 1	55.2	58.0	.....	—
MM Flexible Feb. 4	47.8	50.4	.....	—
Fixed Interest Feb. 1	51.6	54.4	.....	—

London Life Linked Assur. Ltd.
100, Temple St., Bristol, BS1 6EA. 0272-279179

Equity	207.7	213.9	.....	—
Fixed Interest	149.8	150.5	.....	—
Property	158.3	163.0	.....	—
Deposit	137.4	137.4	.....	—
Mixed	176.9	180.7	.....	—
Indexed Stk.	223.7	224.2	.....	—

London Life Managed Funds Ltd.

Equity (P.)	147.5	152.4	.....	—
Fixed Int. (P.)	149.1	150.2	.....	—
Property (P.)	116.0	120.0	.....	—
Deposit (P.)	114.6	114.6	.....	—
Mixed (P.)	139.3	152.9	.....	—
Indexed Stock (P.)	119.7	120.5	.....	—

London & Manchester Gp.
Winslade Park, Exeter EX5 1DS. 0392 52155

Invest. Tst. Fd. Cap.	263.7	—	+1.0	—
Invest. Tst. Fd. Acc.	271.9	—	+1.1	*8.4
Property Fund Cap.	116.2	—	.....	—
Property Fund Acc.	119.7	—	.....	*3.2
Flexible Fund Cap.	172.8	—	+0.4	—
Flexible Fund Acc.	177.9	—	+0.4	*2.6
Fixed Int. Fd. Cap.	130.7	—	+0.3	—
Fixed Int. Fd. Acc.	135.9	—	+0.3	—
Gtd. Deposit Fd. Cap.	134.9	—	.....	—
Gtd. Deposit Fd. Acc.	140.2	—	.....	—
Equity Fund Cap.	138.4	—	+0.9	—
Equity Fund Acc.	142.2	—	+0.3	—
International Fd. Cap.	131.3	—	+1.0	—
International Fd. Acc.	134.8	—	+1.0	—
Capital Gwth. Fd.	396.2	—	+1.6	—
Moneymaker Fund	154.1	—	+0.3	—
Exempt Inv Tst Cap.	367.9	—	+1.3	—

Property Growth Assur. Co. Ltd.
Leon House, Croydon CR9 1LU. 01-680 0606

Property Fund	281.1	.....	—
Property Fund (A)	274.0	.....	—
Agricultural Fund	1099.9	.....	—
Agric. Fund (A)	1024.4	.....	—
Abbey Nat. Fund	222.4	.....	—
Abbey Nat. Fd. (A)	221.6	.....	—
Investment Fund	125.2	.....	—
Investment Fund (A)	123.6	.....	—
Equity Fund	382.0	+3.7	—
Equity Fund (A)	375.8	+3.7	—
Money Fund	205.7	+0.3	—
Money Fund (A)	202.2	+0.3	—
Actuarial Fund	195.5	.....	—
Gilt-edged Fund	177.3	+1.3	—
Gilt-Edged Fd. (A)	177.3	+1.3	—
Retire Annuity	173.7	.....	—
Immed. Annty.	194.0	.....	—
International Fd.	225.3	.....	—

Property Gth Pens & Annuities Ltd

All Wther Ac. Uts.	225.1	237.0	.....	—
Inv. Fd. Uts.		260.4	.....	—
Pension Fd. Uts.		256.0	.....	—
Conv. Pens. Fd.		[illegible]	.....	—
Cnv. Pns. Cap. Ut.		203.7	.....	—
Man. Pens. Fd.		294.2	.....	—
Man. Pens. Cap. Ut.		254.7	.....	—
Prop. Pens. Fd.		255.3	.....	—
Prop. Pens. Cap. Uts.		204.0	.....	—
Bldg. Soc. Pen. Ut.		236.3	.....	—
Bldg. Soc. Cap. Ut.		185.8	.....	—
Gilts Pens. Fd.		153.2	+1.3	—
Gilts Pens. Fd. Cap.		137.2	+1.0	—
Equity Pens. Fd.		224.1	+2.5	—
Equity Pens. Fd. Cap.		201.0	+2.3	—

Providence Capitol Life Assc. Co. Ltd.
30 Uxbridge Road, W12 8PG. 01-749 9111

Equity Acc.	93.9	99.1	.....	—
Fixed Interest Acc.	94.2	98.9	.....	—
Intnl. Acc.	76.2	80.4	.....	—
Managed Acc.	88.3	93.1	.....	—
Property Acc.	106.3	112.2	.....	—
Money Acc.	71.3	75.1	.....	—
Special Market Acc.	60.8	64.2	.....	—

Standard Life Assurance Company
3 George St., Edinburgh EH2 2XZ. 031-225 2552.

Managed	183.0	+1.0	—
Property	140.1	.....	—
Equity	209.6	+0.7	—
International	293.7	+2.5	—
Fixed Interest	157.9	+0.6	—
Index Linked	102.8	-0.2	—
Cash	125.6	.....	—
Pension Managed	206.1	+0.9	—
Pension Property	140.0	.....	—
Pension Equity	236.2	-0.1	—
Pension Intl.	223.4	+3.6	—
Pension Fxd. Int.	156.5	+0.5	—
Pension Index Linked	104.2	-0.2	—
Pension Cash	138.5	.....	—

Sun Alliance Insurance Group
Sun Alliance House, Horsham. 0403 64141

Index Linked Fund	109.1	114.9	.....	—
Equity Fund	278.3	293.0	+1.8	—
Fixed Interest Fund	179.7	189.2	+1.0	—
Property Fund	210.0	221.1	.....	—
International Fd.	158.6	167.0	+1.8	—
Deposit Fund	139.0	146.4	.....	—
Managed Fund	216.7	228.2	+1.7	—
Intl. Bond Feb 8	$18.50	—	.....	—

Individual Pension Funds

Index Linked	128.0	134.8	-0.1	—
Equity	132.9	139.9	+0.7	—
Fixed Int.	139.9	147.3	+0.7	—
Property	103.2	108.7	.....	—
International	130.0	136.9	+1.3	—
Deposit	105.7	111.3	.....	—
Managed	131.1	138.0	+0.9	—

*Group Pension funds—Prices available on request.

Sun Life of Canada (UK) Ltd.
2, 3, 4, Cockspur St., SW1Y 5BH 01-930 5400

Maple Leaf Plans

Growth Account	382.8	—	.....	—
Managed Account		238.5	.....	—
Equity Account	252.9		.....	—
Managed Fd. Accum.	114.6	120.6	.....	—
Equity Fd. Accum.	115.7	121.8	.....	—

Barclays Unicorn International
1, Charing Cross, St. Helier, Jersey. 0534 73741

Unight Trust	42.8	44.6	+0.5	11.30
Unidollar Trust	$13.69	14.50	.....	2.00
Unibond Trust	$92.30	93.25	.....	10.80

1, Thomas St., Douglas, Isle of Man 0624 4856

Uni-Australian Tst.	62.4	67.1	.....	1.8
Uni-Aust. Mineral Tst.	53.4	57.5	.....	1.9
Uni-Pacific Trust	127.8	137.5	.....	—
Uni-International Tst.	61.2	65.6	.....	1.7

Bishopsgate Commodity Ser. Ltd.
P.O. Box 42, Douglas, I.o.M. 0624-23911

ARMAC* Feb 7	$60.20	64.70	.....	—
COUNT** Feb 7	£3.829	4.061	.....	1.29
CANRHO** Feb 7	£2.180	2.312	-0.02	—
MAPSA* Jan 5	$10.55	11.22	.....	—

Original issue *$10 and **£1. Next val. Mar. 7.

Bridge Management Ltd.
GPO Box 590, Hong Kong

N'bashi Jan 31		Y30,971	.....	—
Nippon Fd Feb 9	$23.36	24.35	.....	1.11

Britannia Intl. Investment Mngmt. Ltd.
Box 271, Queensway House, Queen Street, St. Helier, Jersey C.I. 0534-73114

U.S. Dollar Denominated Funds:

Am. Salter Cos. Fd.	$1.948	2.095	-0.004	—
Dollar Inc. Fd.	$0.816	0.873	+0.003	12.00
$ Mngd. Currency Fd.	$9.87	10.39	+0.08	5.40
First Intnl.	$21.55	22.72	.....	—
Gold Fund	$1.547	1.663	+0.08	3.19
Normandie Intl. SFd.†	$10.84	11.42	.....	—
Universal Grwth. Fd.	$0.917	0.986	-0.02	—

†New dealing February 21.

Sterling Denominated Funds

American Investments	75.0	79.9	+1.2	3.00
Australian Perf. Fd.	74.1	79.7	+1.5	—
Far East Fund	103.9	111.7	+2.6	1.00
First Sterling	20.15	21.26	.....	—
Jersey Energy Tst.	15.6	16.8	.....	1.50
Jersey Gilt	21.5	22.5	-0.2	12.16
U.K. Growth Fund	51.9	55.8	+0.2	3.23
USM Fund	133.3	143.3	+0.5	—

OFFSHORE AND OVERSEAS

FT LONDON SHARE INFORMATION SERVICE

BRITISH FUNDS

"Shorts" (Lives up to Five Years)

[illegible]

Five to Fifteen Years

[illegible]

Over Fifteen Years

[illegible]

Undated

[illegible]

Index-Linked & Variable Rate

[illegible]

INT. BANK AND O'SEAS GOVT. STERLING ISSUES

[illegible]

CORPORATION LOANS

[illegible]

COMMONWEALTH AND AFRICAN LOANS

[illegible]

LOANS

Public Board and Ind.

[illegible]

LOANS—Continued

Financial

[illegible]

Building Societies

[illegible]

FOREIGN BONDS & RAILS

[illegible]

AMERICANS

[illegible]

CANADIANS

[illegible]

BANKS & HIRE PURCHASE

[illegible]

BANKS & H.P.—Cont.

[illegible]

Hire Purchase, etc.

[illegible]

BEERS, WINES AND SPIRITS

[illegible]

BUILDING INDUSTRY, TIMBER AND ROADS

[illegible]

CHEMICALS, PLASTICS

[illegible]

CHEMICALS, PLASTICS—Cont.

[illegible]

DRAPERY AND STORES

[illegible]

ELECTRICALS

[illegible]

ELECTRICALS—Continued

[illegible]

ENGINEERING MACHINE TOOLS

[illegible]

FOOD, GROCERIES, ETC.

[illegible]

FOOD, GROCERIES—Cont.

[illegible]

HOTELS AND CATERERS

[illegible]

INDUSTRIALS (Miscel.)

[illegible]

[illegible]

هكذا صدر الأصل

INDUSTRIALS—Continued

[illegible]

INSURANCES

[illegible]

LEISURE

[illegible]

LEISURE—Continued

1982/83 High	Low	Stock	Price	+ or −	Div. Net	Cvr	Y'ld Gr's	P/E
18½	13	GRA Group 5p	15	......	—	—	—	13.6
62	32	Grampian TV A 10p	48	......	†3.25	3.0	9.7	3.9
172	107	HTV Non/Vtg	148	+3	11.0	2.0	10.6	6.6
234	139	Horizon	208	−4	†h3.0	5.3	2.1	13.1
151	90½	Intasun 10p	129	−1	3.5	4.6	3.9	6.6
182	112	LWT "A"	159	+1	11.08	1.7	10.0	12.8
247	116	‡Leisure Inds.	243	−4	ф6.0	3.0	3.5	11.5
150	64	Leisuretime Int 10p	147	......	0.9	2.8	0.9	58.3
132	80	Mngmt. Ag. M. 10p	127	......	8.75	1.6	9.8	9.2
67	55	Medminster 10p	58	......	4.0	0.8	9.9	18.2
275	90	‡Nimslo Int 20c	100	+3	—	—	—	—
105	73	Norton & Wrt. 10p	75	......	†d2.0	0.5	3.8	—
28	14	‡Owners Abroad	25¾	......	d0.35	4.6	2.0	15.7
65	41	Photax (Lon.)	42	......	‡3.5	3.8	—	2.7
153	80	‡People Dev. S. 10p	133	......	d0.5	2.1	1.6	32.8
500	149	Pleasurama 5p	470	+25	7.5	ф	2.3	ф
113	88	‡Radio City 'A' NV	112	+1	g5.6	1.6	7.1	12.1
*160	82½	Riley Leisure 10p	150	+1	Z4.1	1.7	3.9	21.6
179	84	Saga Hols. 20p	106	......	d3.73	—	5.0	—
440	125	Samuelson 20p	420	......	M12.0	ф	4.2	ф
107	76	Scott. TV 'A' 10p	97	......	†7.0	3.8	10.3	3.6
62	21	‡SelecTV 10p	61	+1	—	—	—	—
18	13	TSW 5p	15½	......	0.9	3.3	8.3	5.2
52	28	‡TVS N/Vtg 10p	38	......	—	—	—	—
100	55	Trid'nt TV 'A' 10p	75	−3	4.26	1.4	0.5	12.3
215	92	‡21st Century Dist.	135	......	—	—	—	—
27½	15	Webb (Jos.) 5p	20½	+½	d0.51	2.2	3.6	(0.7)
93	69	Zetters 5p	81	−2	2.75	2.9	4.9	10.1

MOTORS, AIRCRAFT TRADES

Motors and Cycles

[illegible]

Commercial Vehicles

[illegible]

Components

[illegible]

Garages and Distributors

[illegible]

NEWSPAPERS, PUBLISHERS

[illegible]

PAPER, PRINTING ADVERTISING

[illegible]

PROPERTY

[illegible]

PROPERTY—Continued

[illegible]

SHIPPING

[illegible]

SHOES AND LEATHER

[illegible]

SOUTH AFRICANS

[illegible]

TEXTILES

[illegible]

TOBACCOS

[illegible]

TRUSTS, FINANCE, LAND

Investment Trusts

[illegible]

INVESTMENT TRUSTS—Cont.

[illegible]

Finance, Land, etc.

[illegible]

OIL AND GAS

[illegible]

OIL AND GAS—Continued

[illegible]

OVERSEAS TRADERS

[illegible]

PLANTATIONS

Rubbers, Palm Oil

[illegible]

Teas

[illegible]

MINES

Central Rand

[illegible]

Eastern Rand

[illegible]

Far West Rand

[illegible]

O.F.S.

[illegible]

Finance

[illegible]

Diamond and Platinum

[illegible]

MINES—Continued

Central African

1982/83 High	Low	Stock	Price	+ or −	Div. Net	Cvr	Y'ld Gr's
300	75	Falcon Rh.50c.	300	+30	Q25c	10.3	5.8
33	18	Wankie Col. Z$1	19	−1	†Q3c	1.2	10.7
28	12	Zam.Cpr.SBD0.24	26	−1	—	—	—

Australians

1982/83 High	Low	Stock	Price	+ or −	Div. Net	Cvr	Y'ld Gr's
28½	10	♥ACM 20c	23	+1	—	—	—
28	6	♥Argosy Gold NL 25c	11	......	—	—	—
63	46	♥Black Hill Mins.	60	......	—	—	—
151	54	♥Bond Corp.	62	+2	gQ10c	2.3	10.9
154	58	♥Bougainville 1 Kina	150	+10	†Q6.11c	1.2	‡
273	147	♥CRA 50c	245	+12	‡Q5c	—	‡
154	10	♥Carr Boyd 20c	132	+9	—	—	—
56	21½	♥Central Pacific	27	......	—	—	—
380	152	♥Crusader Oil	260	......	—	—	—
26	7	♥Cultus Pac NL	10	+½	—	—	—
27	7	♥Eagle Corp 10c	11½	......	—	—	—
23	8½	♥Endeavour 20c	12	−½	—	—	—
770	120	♥GM Kalgoorlie 25c	770	+65	hQ10c	ф	0.8
244	134	Hampton Areas 10p	222	+2	†3.0	2.8	1.9
32	10	♥Haoma NW	23	+1	—	—	—
94	28	♥Hill Minerals N.L.	78	−10	—	—	—
22	4	♥Intnl Mining	19	......	—	—	—
36	2	♥Kalbara Min 20c	27½	......	—	—	—
15½	3	♥Keywest Expl.	15½	+½	—	—	—
130	30	♥Kitchener NL 25c	104	+6	—	—	—
190	92	♥Meekatharra 25c	155	......	—	—	—
44	15	♥Metals Ex 50c	35½	+½	—	—	—
52	15	♥Metramar Mins 20c	38	+5	—	—	—
50	15	♥Mid East Mins A$1	30	+1	—	—	—
279	143	♥MIM Hldgs 50c.	264	+20	Q5c	—	1.2
57	5	♥Mincorp 20c	11	......	—	—	—
0	2½	♥Murchison Expl 25c	6	......	—	—	—
34	14	♥Newmetal 20c	34	......	—	—	—
186	92	♥North B Hill 50c	153	+3	GQ6c	1.3	2.7
*84	10	Nth. Kalgurli	59	+4	—	—	—
123	67	♥Oakbridge 50c	80	......	Q7c	1.7	5.6
98	34	♥Pacific Copper	60	......	—	—	—
150	68	♥Pancont'l 25c	112	+10	—	—	—
448	211	♥Peko-Wallsend 50c	394	+10	Q15c	—	0.2
31½	6	♥Pelsart Res NL	9	......	—	—	—
273	112	♥Renison 50c	202	+2	Q5c	—	1.6
206	105	♥Do Deld	190	+15	—	—	—
72	30	♥Seltrust A	64	+4	—	—	—
27	8½	♥Southern Pacific	10	......	—	—	—
50	16	♥Swan Res 20c	40	......	—	—	—
24	2½	♥West Coast 25c	18½	......	—	—	—
50	6	♥Western Cont. 50c	32	+2	—	—	—
275	150	Westn. Mining 50c	256	+11	Q2.5c	ф	0.6
93	11	♥Whim Creek 20c	82	+9	—	—	—
30	6	♥York Resources	12	+1	—	—	—

Tins

1982/83 High	Low	Stock	Price	+ or −	Div. Net	Cvr	Y'ld Gr's
255	135	Ayer Hitam SM1	210	......	Q95c	1.0	12.8
140	55	Geevor	117	+1	—	—	—
12	9½	Gold & Base 12½p	11	......	—	—	—
630	250	Gopeng Cons.	370d	......	220.0	1.2	7.7
670	330	Hongkong	525	......	21.0	ф	5.7
24	13	Jantar 12½p	19	......	1.5	2.0	11.3
130	42	Kamunting SM0.50	122	......	hQ27c	0.8	6.4
575	350	Killinghall SM1	575	......	vhQ60c	ф	3.0
98	43	Malaysia Mng. 10c	79	......	vQ17.1c	1.6	6.3
42	20	♥Pahang	32	......	B‡0.63	0.8	‡
450	280	Pengkalen 10p	325	......	1.0	—	0.4
330	190	Petaling SM1	275	......	vQ60c	ф	6.2
200	150	Sungei Besi SM1	200	......	‡vQ185c	0.6	‡
55	25	♥Supreme Corp M$1	45	......	vhQ3½c	ф	2.4
110	93	Tanjong 15p	100	......	g3.5	ф	5.0
85	43	♥Tongkah H. Tin SM1	62	......	vQ5c	1.3	2.1
255	125	Tronoh SM1	245	......	hvQ50c	2.3	5.8

Miscellaneous

1982/83 High	Low	Stock	Price	+ or −	Div. Net	Cvr	Y'ld Gr's
90	20	♥Anglo-Dominion	70	......	—	—	—
125	25	♥Anglo Utd. Dev.	72	+4	—	—	—
		For Burma see Southwest Res					
135	27	♥Colby Res Corp.	105	......	—	—	—
470	170	Cons. Murch. 10c.	470	+10	‡Q60c	1.9	‡
0	1½	‡‡Exploura Gold	5½	+½	—	—	—
155	55	♥Highwood Res.	147	+2	—	—	—
£40½	£25	Homestake Mining $1	£36⅝	+¼	Q40c	—	0.6
495	160	Northgate C$1	455	+20	—	—	—
552	344	R.T.Z.	550	+18	16.0	1.6	4.2
£122	£84	Do. 9½%Cn.Uns.95-2000	£120	+2	Q9½%	23.9	f8.0
32	11	♥Sabina Inds C$1	32	+2	—	—	—
17½	12½	‡Southwest Res 10p.	16	+½	—	—	—
530	270	♥Tara Expln $1	478	......	—	—	—

NOTES

Unless otherwise indicated, prices and net dividends are in pence and denominations are 25p. Estimated price/earnings ratios and covers are based on latest annual reports and accounts and, where possible, are updated on half-yearly figures. P/Es are calculated on "net" distribution basis, earnings per share being computed on profit after taxation and unrelieved ACT where applicable; bracketed figures indicate 10 per cent or more difference if calculated on "nil" distribution. Covers are based on "maximum" distribution; this compares gross dividend costs to profit after taxation, excluding exceptional profits/losses but including estimated extent of offsettable ACT. Yields are based on middle prices, are gross, adjusted to ACT of 30 per cent and allow for value of declared distribution and rights.

- ● "Tap" Stock.
- * Highs and Lows marked thus have been adjusted to allow for rights issues for cash.
- † Interim since increased or resumed.
- ‡ Interim since reduced, passed or deferred.
- ‡‡ Tax-free to non-residents on application.
- ф Figures or report awaited.
- ♥ Not officially UK Listed; dealings permitted under Rule 163(4)(a).
- ‡ USM; not listed on Stock Exchange and company not subjected to same degree of regulation as listed securities.
- ‡‡ Dealt in under Rule 163(3).
- # Price at time of suspension.
- ¶ Indicated dividend after pending scrip and/or rights issue: cover relates to previous dividend or forecast.
- ♦ Merger bid or reorganisation in progress.
- ♣ Not comparable.
- ♠ Same interim: reduced final and/or reduced earnings indicated.
- § Forecast dividend; cover on earnings updated by latest interim statement.
- ‡ Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividend.
- ★ Cover does not allow for shares which may also rank for dividend at a future date. No P/E ratio usually provided.
- 0 No par value.

B.Fr. Belgian Francs. Fr. French Francs. §§ Yield based on assumption Treasury Bill Rate stays unchanged until maturity of stock. a Tax free. b Figures based on prospectus or other official estimate. c Cents. d Dividend rate paid or payable on part of capital, cover based on dividend on full capital. e Redemption yield. f Flat yield. g Assumed dividend and yield. h Assumed dividend and yield after scrip issue. j Payment from capital sources. k Kenya. m Interim higher than previous total. n Rights issue pending. q Earnings based on preliminary figures. s Dividend and yield exclude a special payment. t Indicated dividend: cover relates to previous dividend, P/E ratio based on latest annual earnings. u Forecast dividend: cover based on previous year's earnings. v Subject to local tax. x Dividend cover in excess of 100 times. y Dividend and yield based on merger terms. z Dividend and yield include a special payment: Cover does not apply to special payment. A Net dividend and yield. B Preference dividend passed or deferred. C Canadian. E Minimum tender price. F Dividend and yield based on prospectus or other official estimates for 1983-84. G Assumed dividend and yield after pending scrip and/or rights issue. H Dividend and yield based on prospectus or other official estimates for 1984. K Figures based on prospectus or other official estimates for 1982-83. M Dividend and yield based on prospectus or other official estimates for 1983. N Dividend and yield based on prospectus or other official estimates for 1982-83. P Figures based on prospectus or other official estimates for 1982. Q Gross. T Figures assumed. Z Dividend total to date.

Abbreviations: xd ex dividend; xc ex scrip issue; xr ex rights; xa ex all; xd ex capital distribution.

REGIONAL AND IRISH STOCKS

The following is a selection of regional and Irish stocks, the latter being quoted in Irish currency.

Stock	Price	+ or −
Albany Inv. 20p	49	+2
Bertrams	17#	......
Bdg'wtr. Est. 50p	485	......
Craig & Rose £1	£12½	
Finlay Pkg. 5p	32	
Graig Ship. £1	£21	
Higsons Brew	105	
Holt (Jos) 25p	880	
I.O.M. Stm. £1	98xd	−2
Pearce (C. H.)	£12	
Peel Hldgs.	362	

IRISH

Stock	Price	+ or −
Exch. 15pc 1983	£100	......
Nat. 9¾% 84/89	£81⅞	......
Fin. 13% 97/02	£90½	+⅛
Alliance Gas	115	......
Arnott	188	......
Carroll (P.J.)	82	......
Concrete Prods.	48	......
Heiton (Hldgs.)	13	......
Ins. Corpn. Ireland	350	......
Irish Ropes	26	......
Jacob	81	......
T.M.G.	90	......
Unidare	42	......

OPTIONS

3-month Call Rates

Industrials					
Allied-Lyons	15	House of Fraser	15	Utd. Drapery	7
BOC Grp	17	I.C.I.	24	Vickers	12
B.S.R.	6	"Imps"	10	Woolworth Hld.	15
Babcock	10	I.C.L.	8		
Barclays Bank	35	Ladbroke	16	**Property**	
Beecham	35	Legal & Gen.	28	Brit. Land	7½
Blue Circle	44	Lex Service	16	Cap. Counties	12
Boots	22	Lloyds Bank	35	Land Secs.	26
Bowaters	19	"Lofs"	4	MEPC	17
Brit. Aerospace	20	London Brick	11	Peachey	14
B.A.T.	50	Lucas Inds.	12	Samuel Props.	10
Brown (J.)	4	"Mams"	12	Town & City	3
Burton Ord.	24	Mrks. & Spncr.	16		
Cadburys	11	Midland Bank	30	**Oils**	
Courtaulds	8	N.E.I.	9	Brit. Petroleum	26
Debenhams	8½	Nat. West. Bank	38	Burmah Oil	12
Distillers	20	P & O Dfd.	14	Charterhall	5
Dunlop	5½	Plessey	50	KCA	8
Eagle Star	30	Racal Elect.	45	Premier	4
F.N.F.C.	4	R.H.M.	6	Shell	35
Gen. Accident	30	Rank Org. Ord.	15	Tricentrol	22
Gen. Electric	24	Reed Intnl.	26	Ultramar	42
Glaxo	90	Sears	9		
Grand Met.	25	T.I.	13	**Mines**	
G.U.S. 'A'	50	Tesco	8	Charter Cons.	20
Guardian	25	Thorn EMI	36	Cons. Gold	40
G.K.N.	25	Trust Houses	13	Lonrho	8
Hawker Sidd.	30	Turner & Newall	4	Rio T. Zinc	42
		Unilever	65		

A selection of Options traded is given on the London Stock Exchange Report page

"Recent Issues" and "Rights" Page 24

This service is available to every Company dealt in on Stock Exchanges throughout the United Kingdom for a fee of £600 per annum for each security

FINANCIAL TIMES

Saturday February 12 1983

MAN IN THE NEWS

Banking's Buster Keaton

BY PETER BRUCE

DURING A somewhat desultory stab at the Foreign Office exam in 1952 and bored with law at Oxford, Peter Grant took off to a party one evening. It seemed to him strange at the time, but he soon found the late David Bowes-Lyon, the Queen's uncle, at his side, offering him a job in merchant banking.

"I didn't even know what a yield was," he remembers. "When I was at Oxford the fashionable profession was advertising." But he took the job and has become, at 53, one of four vice-presidents of Lazard Brothers, the merchant bankers, and, as of the beginning of 1983, chairman of Sun Life Assurance.

Yesterday proved to be something of a milestone for Mr Grant, who has spent a good deal of the past 18 months personally orchestrating one of the most wide-ranging private sector rationalisation schemes ever negotiated in Britain.

Under his direction capacity in the country's general steel castings sector is to be cut by a quarter, 10 foundry companies have agreed to withdraw from the industry; 1,800 people will lose their jobs. The closers are being paid to leave but neither Mr Grant nor Lazards will get a penny.

"We didn't know whether we could do it," he says. "So what would we be charging for?" In

Peter Grant

fact, the rationale was a little more calculating than that. "We also thought that it would probably lead to some quite good publicity for us. We've had quite a lot of enquiries and next time we would charge."

Lazards, he hopes, will establish itself as a rationalisation specialist in Britain. He has also been *flying kites* over the European steel industry but admits that his chances of co-ordinating similar schemes in Europe are remote.

"But the need is great," he says. "If I talk about it publicly I'm staking out a claim. The only man who can rationalise the European steel industry is Viscount Davignon, EEC Steel Commissioner. A need for rationalisation is obvious to everyone but all the people involved have obvious reasons why they can't."

Home for Mr Grant is the family estate in the Scottish Highlands, where he indulges a passion for deerstalking every October. "Nothing interferes with that. Clinging on to the land is the one thing my family has achieved."

He describes himself as the younger son of a younger son. "That is why I have to work for a living." Which does not imply any lack of ambition. "But it's a tempered ambition. I like to be successful at my job but I'm not trying to be Prime Minister."

Despite the self-effacement, friends warn that Peter Grant's rather straight-faced, even dour, manner is wholly misleading. "He's very shrewd, extremely commercial and tough," said one, who described him as the Buster Keaton of merchant banking.

He has spread his energy over a broad front; as the shareholders representative during the creation of a nationalised aerospace industry, as Lazard's link with the British Steel Corporation; as chairman of the financial committee of the British Red Cross ("A bit of charitable work is very important in this life.") as financial advisor to S. Pearson and to his old school, Winchester.

"I don't think I am untypical of merchant bankers," he says, and makes no apology for taking the establishment route into the City. "I don't think the City is any more elitist than the trade unions. Look at the dockers. You can't be a docker unless you're the son of a docker."

Lawson stokes up MacGregor speculation

BY PETER RIDDELL, POLITICAL EDITOR

MR NIGEL LAWSON, Energy Secretary, last night issued what amounted to a public invitation to Mr Ian MacGregor to consider becoming chairman of the National Coal Board.

This follows a week of speculation about whether Mr MacGregor, 70-year-old chairman of the British Steel Corporation, will take over when Mr Norman Siddall, the present Coal Board chairman, retires at the end of June.

In a speech in his Blaby constituency, Mr Lawson said the coal industry deserved "the best man we can find.

"I cannot say whether Mr Ian MacGregor will be that man. But I do know that this is the calibre of man we need to help this great industry to realise its *full potential*."

These remarks were seen last night as a clear attempt to entice Mr MacGregor to take the job.

On Thursday Mr MacGregor confirmed his interest in heading the Coal Board, but said many factors had to be considered before a decision was taken. His family would prefer him to return to the U.S., but he was tempted by a challenge similar to that which he had undertaken at British Steel.

Mr Lawson stressed in his speech the problems which governments had had in finding the right people to head nationalised industries.

He said that in the field of energy the Government had already sought and found "distinguished and successful men to fill vacant seats, not only as chairmen, but elsewhere in the boardrooms of these massive industries."

MINISTER QUITS AFTER MASSACRE INQUIRY

Sharon bows to pressure for Defence resignation

BY DAVID LENNON IN TEL AVIV

GENERAL ARIEL SHARON, the Israeli Defence Minister, whose dismissal was recommended by the Commission of Inquiry into the Beirut massacre, announced yesterday that he would resign. He will hand his portfolio back to Mr Menahem Begin, the Prime Minister, on Monday.

General Sharon's decision to step down follows the Cabinet's acceptance of the Commission's report and recommendations. When the report was published on Tuesday the Defence Minister refused to go, insisting that the entire Cabinet must share responsibility with him.

At the Cabinet meeting on Thursday evening, General Sharon again refused to quit, saying: "You can operate the guillotine; I will not cut off my own head." However, after the Cabinet voted 16 to 1 in favour of accepting the report, the Minister apparently realised he had no hope of retaining his portfolio.

Last night Gen. Sharon said he intended to remain in the Cabinet, probably as a Minister without Portfolio. General Sharon referred to this as a ministerial reshuffling.

However, it is not certain that this scenario is also favoured by the Premier and most Cabinet members. In addition, such a move would have to be brought before the Knesset (Parliament), where opposition is likely to be intense.

Mr Danny Rosolio, a leading *Knesset* member from the opposition Labour Party, said yesterday that retaining Gen Sharon in the Cabinet would be contrary to the spirit of the Commission's recommendations.

Mr Begin has already decided to ask Prof Moshe Arens, Israel ambassador to Washington, to serve as Defence Minister. Dr Arens, who was considered for this post in the past, has not yet indicated whether he would accept.

Gen Sharon was unrepentent about the political turmoil caused by his refusal to resign when the report was published last Tuesday. He told the Tel Aviv Lawyers' Association yesterday that he rejected the Commission's use of the concept of indirect responsibility, which placed blame on senior Israeli officials and officers for their role in the tragic events in Beirut.

The outgoing Defence Minister said Israel's enemies would make use of the report and that *Israel would not be free from* guilt for years to come.

The events surrounding Gen Sharon were pushed out of the headlines in yesterday's Israeli papers by reports of the hand-grenade attack on an anti-Sharon demonstration outside the Prime Minister's office on Thursday night. One Israeli demonstrator, Mr Emil Greenzweig—a 34-year-old reserve paratroop officer—was killed and a number were injured.

Ports share sale attracts £740m bids

By Dominic Lawson

THE GOVERNMENT'S offer of 49 per cent of the shares in Associated British Ports has been 34 times oversubscribed by the public. Almost £740m was put up for shares with an official price of £22m.

Mr Derek Netherton of Schroder Wagg, a joint lead underwriter with Kleinwort Benson, said after applications had been sorted yesterday: "Partly as a result of Britoil, a larger than usual number of institutions would not underwrite the issue. New issues now tend to be either feast or famine."

A merchant banker commented: "The City and the Government have clearly got to find a new way of privatisation. What has happened with Britoil, Amersham and now ABP is clearly not satisfactory."

Britoil attracted less than 30 per cent of the total shares offered. Amersham International, like ABP (formerly the British Transport Docks Board), was heavily oversubscribed.

The Department of Transport said: "The Government placed the pricing in the hands of experts and it's their show. *Let's not talk about the taxpayers' loss until we see what happens in the market when dealings start on Tuesday.*"

In the City the 112p shares were expected to start life between 125p and 140p.

Mr Keith Stuart, ABP chairman, said: "Over 90 per cent of our employees applied for their allocation of free shares, which is a good sign for our future industrial relations."

New-issue stags—those who buy and hope to make an instant profit when the price rises—may soon be sharpening their antlers on another City offering.

Superdrug Stores, which operates 143 self-service retail outlets, announced yesterday it would offer 8.8m of its shares at 175p each, capitalising the whole company at £61m.

Application lists for Superdrug opens next Thursday and dealings are due to start on February 23.

Details, Page 18

Steel casting companies agree on scheme to shed 25% capacity

BY IAN RODGER

A VOLUNTARY self-help scheme to close about 25 per cent of capacity in the depressed UK general steel castings sector was settled yesterday, despite last-minute hitches.

The 12 companies participating in the 12m scheme, which has been under discussion for over two years, agreed to close 10 of their 22 foundries, eliminating 25,000 tonnes a year capacity. About 1,800 jobs will be lost.

Operators of the remaining 12 foundries will compensate those which close.

Steel casting companies have suffered losses averaging about 4 per cent on sales in the past year, according to Mr Tom Bailey, managing director of Lake and Elliot and former chairman of Scrata, the industry association.

Compensation will be made in the form of a levy of just over 2 per cent for the next five years on the turnover of the foundries that stay open. This, together with grants from the Government, means those that close will receive an amount equivalent to about one third of their annual turnover.

This is the third such scheme to be completed in the UK in the past year. In December, a £24m scheme was agreed by eight groups in the steel wire drawing industry to cut capacity by about 20 per cent. A year ago, a small plan for high alloy castings was settled.

The general steel castings scheme has been difficult to settle, partly because there are many small companies involved. Although agreement in principle was announced three weeks ago, there have been several defections from the scheme.

Four companies — Alfred Steel, Aurora, Black Clawson and Bolton Crucible—decided only this week not to participate, while William Cook and Sons (Sheffield), Robert Hyde and George Blair are trying to set up a separate scheme for high-volume, machine-moulded casting.

Lazard Brothers, organisers of the scheme, said the final shape was not known until yesterday morning.

The scheme was well received by industry leaders. Mr John Pinkard, chief executive of F. H. Lloyd, the largest company in the sector, said the Wednesbury foundry, which is closing, would have lost £1m this year.

Mr Bailey said he would have preferred to see more capacity close but was optimistic that Lake and Elliot's foundries could return to profit, provided they picked up a reasonable share of the business given up by those that are closing.

COMPANIES INCLUDED IN THE REORGANISATION

CLOSERS
- Triangle Alloys (Triangle International)
- H. Broadbent (Triangle International)
- Sheffield Forgemasters railway foundry
- Craigneuk light foundry (British Steel Corpn.)
- Wednesbury foundry (F. H. Lloyd)
- Holcroft Castings (Renold)
- Head Wrightson, Thornaby (Davy Corpn.)
- Head Wrightson, Billingham (Davy Corpn.)
- Ryder Brothers
- Wolsingham Steel (British Shipbuilders)

OPENERS
- Craigneuk medium foundry (British Steel Corporation)
- River Don heavy foundry (Sheffield Forgemasters)
- Brockhouse Castings (Brockhouse)
- Lake and Elliot Founders and Engineers
- National Steel Foundry (Lake and Elliot)
- Lloyds Burton (F. H. Lloyd)
- Parker Foundry (F. H. Lloyd)
- Armadale foundry (North British Steel)
- Bathgate foundry (North British Steel)
- Catton and Co. (Weir Group)
- E. Jopling and Sons (Weir Group)
- Holbrook Precision Castings (Weir Group)

Continued from Page 1

Inflation

inflation figures were seized on yesterday by other senior ministers to argue that the Government's economic strategy is working.

Mr Patrick Jenkin, Industry Secretary, said the essential ingredients had been created for sustained industrial recovery

INFLATION RATES

Average % increase to December	
Italy	16.4
France	9.7
Canada	9.3
Belgium	8.1
Switzerland	5.5
UK	5.4
West Germany	4.6
Holland	4.3
U.S.	3.9
Japan	1.8
EEC average	8.4
OECD average	6.5

and new jobs, though this would not happen overnight.

Mr Leon Brittan, Chief Secretary to the Treasury, said the figures showed that the Government's strategy was creating the conditions for economic recovery.

Building

Continued from Page 1

points yesterday in the average Treasury Bill discount rate — the rate at which the Bank of England accepted bids in the weekly tender for the bills — confirmed signs in the past two days that money market conditions, and hence *pressure on* interest rates, might be starting to ease.

On both Thursday and Friday some discount houses are said to have offered to sell bills to the Bank of England at rates below its current dealing rate of 11 per cent. But, perhaps with an eye to sterling's uncertain trading on the foreign exchanges, the Bank was not tempted to do anything which would signal a desire for a downward move.

Nevertheless, most of the economic indicators are consistent with a lower level of interest rates fairly soon. This week saw well-received figures for the money supply and government borrowing, and yesterday's inflation rate figures add to the general impression.

There are also suggestions that the Government may revise its forecast for this year's current account balance of payments to a surplus of £1bn, compared with its previous expectation that the surplus would vanish.

Acrow

Continued from Page 1

Coles Cranes from Manchester into the Sunderland headquarters. The benefit will come through some time after the cost has been absorbed.

Certain peripheral operations have been closed. More redundancies, although on a substantially smaller scale, are to be announced.

Acrow lost £3.81m in the six months to September after a deficit of £2.67m in the whole of the previous year. External forecasts show a likely £5.5m pre-tax loss for the current year. The shares were unchanged yesterday at 46p.

Weather

UK TODAY

SNOW SHOWERS. Cold in the south.

London, S.E., Cent. S., S.W. England, E. Anglia, E. Midlands, Channel Isles
Scattered snow showers, sunny intervals. Max. 3C (37F).

E., Cent. N. England, W. Midlands, Wales
Mostly dry, perhaps some snow later. Max. 4C (39F).

Elsewhere
Snow, turning to rain, dying out later. Max. 5C (41F).

Outlook: Snow showers in the south, otherwise mainly dry.

WORLDWIDE

		Y day midday °C	°F			Y day midday °C	°F
Ajaccio	F	2	36	L. Ang.†		—	—
Algiers	C	7	45	Luxmbg.	C	−3	27
Amsdm.	S	0	32	Luxor	S	26	79
Athens	S	15	59	Madrid	S	3	37
Bahrain		—	—	Majorca	Sn	0	32
Barcina.	S	4	39	Malaga	S	11	52
Beirut	S	17	63	Malta	F	13	55
Belfast	S	2	35	M'chstr.	S	2	36
Belgrd.	S	17	63	Melbne.	S	20	68
Berlin	C	−2	28	Mx. C.†		—	—
Biarritz	C	1	34	Miami†		—	—
Bmghm.	Sn	1	34	Milan	C	3	32
Blackpl.	F	2	36	Montrl.†		—	—
Bordx.	C	0	32	Moscow	C	−7	19
Boulgn.	F	0	32	Munich	Sn	−3	27
Bristol	S	3	37	Nairobi	F	26	79
Brussels	C	−1	30	Naples	C	8	46
Budpst.	Fg	3	37	Nassau		—	—
Cairo	F	21	70	Nwcastl.	F	2	36
Cardiff	S	3	37	N York†		—	—
Cas'b'ca	C	12	54	Nice	S	9	48
Cape T.	R	15	59	Nicosia	S	17	63
Chicg.†		—	—	Oporto	C	5	41
Cologne	F	−1	30	Oslo	C	−2	28
Cpnhgn.	F	−1	30	Paris	C	−1	30
Corfu	C	17	63	Perth	S	27	81
Denver†		—	—	Prague	Sn	−4	25
Dublin	Sn	2	36	Rykjvk.	Fg	3	37
Dbrvnk.	T	9	48	Rhodes	C	16	61
Ednbgh.	Sn	1	34	Rio J'o†		—	—
Faro	C	12	54	Rome	C	6	43
Florence	C	5	41	Salzbrg.	C	−1	30
Frnkft.	F	−2	28	S'cisco†		—	—
Funchal	C	13	55	S. Mritz.		—	—
Geneva	C	−1	30	Singapr.		—	—
Gibrltr.	F	12	54	S'tiago†		—	—
Gl'sg'w	C	2	36	Stckhm.	Sn	−2	28
G'rnsey	R	3	37	Strasbg.	S	−1	30
Helsinki	Sn	−7	19	Sydney	R	23	73
H Kong	R	15	59	Tangier	C	11	52
Innsbrk.	Sn	−2	28	Tel Aviv	S	20	68
Invrnss.	C	1	34	Tenerife	F	17	63
I.o Man	F	2	36	Tokyo	S	7	45
Istanbul	F	15	68	T'r'nto		—	—
Jersey	C	3	37	Tunis	F	12	54
Jo'burg	C	21	70	Valencia	S	7	45
L. Plms.	C	16	61	Venice	R	3	37
Lisbon	R	7	45	Vienna	C	−2	28
Locarno	C	2	36	Warsaw	C	−1	30
London	C	2	36	Zurich	Sn	−2	28

C—Cloudy. F—Fair. Fg—Fog. R—Rain. S—Sunny. Sn—Snow. T—Thunder. † Noon GMT temperatures.

THE LEX COLUMN

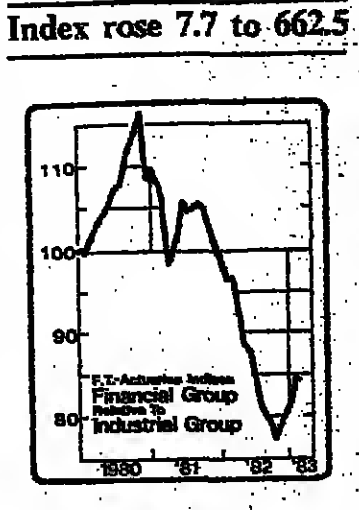
Equities take up the running

The equity market rode on to new highs yesterday, closing the Year of the Dog with a flourish. And the enthusiasm now seems to have infected gilt-edged, which ended the week nearly 2 points up in longs, and some 5 points above the depths plumbed in January. Hopes of renewed decline in U.S. interest rates were making the rounds, and the pressure seems to have off sterling, while the Lord's curt dismissal of Labour's Boundaries Commission plea paves the way for a possible early election. Small wonder that the market took a £700m tap announcement, designed to refinance maturing stocks, in its stride.

Nevertheless, equities have risen a long way ahead of gilt-edged. Since early November the reverse yield gap has widened from about 5 to 6½ per cent. Historically this may be unexceptional but not in the context of a low inflationary environment. Even building in profits expansion of up to 20 per cent in 1983—helped by the decline in sterling—and dividend growth of 10 per cent, the gap looks demanding. According to the Wood Mackenzie equity risk premium model, at these levels the market is discounting real dividend growth of 2 per cent a year for the forseeable future: whereas in the last decade real dividends have declined. So it looks as if the market is now building in optimistic assumptions about renewed world economic growth.

The strength of equities has been fuelled partly by some switching out of gilt-edged, and also diversion of cash flow back into the domestic market once sterling's fall was completed and the urgency of foreign investment reduced. But the most marked movement in the market has been switching from last year's high flyers—stores and electricals—to financials and industrial recovery stocks. In part this reflects the expected underperformance of profits this year from electricals and other sectors which have done well during the recession. One exception is pharmaceutical stocks, which are expected to benefit from the fall in sterling.

Index rose 7.7 to 662.5



UDS

The UDS defence to the Bassishaw bid leans heavily on that predictable old standby of a property revaluation. The principle is not stretched too far: the assets involved in the proposed sale of John Collier and Richard shops to Burton, for instance, are included at their former book value—which is just as well given that the sale has been arranged at a discount of around 15 per cent. UDS argues that a rapidly arranged bulk sale of that kind, involving streets full of loss-makers, is not as inherently profitable as piecemeal disposal. But such a striking discount must cast some doubts over the £38.8m surplus thrown up by the revaluation of the other properties.

On the trading front, UDS has a more convincing case to offer. While what it calls its "continuing core businesses" do not look particularly coherent, they managed to increase trading profits by 16 per cent last year. The sharp improvement at the Allders department stores, up from £4m to £7m, was admittedly helped by the closure of Whiteley's—now boarded up and on the market with a price tag of at least £11.8m. But profits from the duty free business and the two shoe shop chains also rose respectably, leaving the door-to-door catalogue division as the only dud performer.

Much of this trading improvement was, of course, achieved during a period when retailing profits received a sudden boost from returning consumer confidence. But given that shareholders already have the offer of 40p in their pocket from Burton, it is difficult to see how Bassishaw could get away with just 60p for assets which UDS now values at 140p a share. Valuing a sprawling, under-performing retailing conglomerate may be an inexact affair—but not that inexact.

Superdrug

In spite of the frenetic new issue activity on the USM, Superdrug is the first non-Government flotation on the grown-up market for several months. Moreover, it joins the retail sector, to which new entrants are a rarity. The company has the key ingredient to appeal to institutional holders, in the shape of a clear-cut successful trading formula. Through tight management and stock control it has developed a discount chain that undercuts most of the competition by 10 per cent or so: a Kwik Save of the toiletries world, no less.

From a standing start in 1964 the company now has 143 stores, predominantly in the South East. Plenty of growth potential remains, however, with the company turning its attentions to the North. Even at 350 stores the company would probably not have reached saturation point. Nevertheless, the flotation is priced at a level that relies heavily on bull market enthusiasms. The recent origins of the business mean that net tangible assets total a mere 52p, against the 175p offer price. On forecast earnings of £5.2m, the p/e emerges at 24½ times, fully-taxed, which compares with a similar figure at MFI, about 19 at Kwik Save and 23 at Marks and Spencer.

Steel castings

The modest proportion of Lazard's plans for reorganising the UK's chronically sick general steel castings industry illustrates yet again the inherent problem of persuading a number of competitive producers to sink their differences for the common good.

The principle of these co-operative schemes is to persuade one bunch of manufacturers to drop out of production in the interests of a second group, which then pays the first group for the market share which is being surrendered. At the present time, when the weakness of the pound makes it less likely that there will be leakage to importers, the projects ought to be more acceptable. But their main attraction is that they allow companies to close loss-makers without putting undue strain on their balance sheets.

Many recession-hit companies are reluctant to cut back because of the write-offs that this would imply. But the reorganisation projects mean that they can get an immediate cash payment to cover redundancy and closure costs. While the companies that stay open put this finance up over a five-year period, the money to those which stay open is paid out at once—in some cases using the device of discounted notes through Finance for Industry.